UNIT 9 BASIC ISSUES IN DEVELOPMENT

Structure

9.0 Introduction

9.1 Objectives

9.2 Population Issues and Problems in Development

- 9.2.1 World Population in Antiquity, Middle Ages and Modern Era: Major Issues
  - 9.2.1.1 Regional Differences and Milestones in World Population
- 9.2.2 Overpopulation: Forecasts of Food Scarcity and other Consequences
  - 9.2.2.1 Definition of Overpopulation
  - 9.2.2.2 Causes of Overpopulation
  - 9.2.2.3 Forecasts of Food Scarcity and other Consequences of Rapid Population Growth
- 9.2.3 Indian Population: Important Issues of Development
- 9.2.4 Actions and Strategies for Solving Population Problems and Issues

9.3 Poverty Issues in Development

- 9.3.1 Global Poverty Situation: Causes and Effects
- 9.3.2 Poverty in India: Key Issues of Development
  - 9.3.2.1 Conceptual Issue of Defining Poverty
  - 9.3.2.2 Alarming Situation of Poverty in India: Factors and Issues

9.4 Issues of (Il)literacy in Development

- 9.4.1 (Il)literacy: Conceptual Issue
- 9.4.2 Effects of (Il)literacy on Development: Issues and Interventions in India

9.5 Types and Issues of Infrastructure in Development

- 9.5.1 Broad Categories of Infrastructure: Hard and Soft
- 9.5.2 Types of Hard Infrastructure
  - 9.5.2.1 Transportation Infrastructure
  - 9.5.2.2 Energy Infrastructure
  - 9.5.2.3 Water Management Infrastructure
  - 9.5.2.4 Communication Infrastructure
  - 9.5.2.5 Solid Waste Management Infrastructure
  - 9.5.2.6 Earth Monitoring and Measurement Networks
- 9.5.3 Types of Soft Infrastructure
  - 9.5.3.1 Governance Infrastructure
  - 9.5.3.2 Economic Infrastructure
  - 9.5.3.3 Social Infrastructure
  - 9.5.3.4 Cultural, Sports and Recreational Infrastructure
- 9.5.4 Government Policy on Infrastructure Development: Public-Private Partnership

9.6 Issues of Inequalities in Development

- 9.6.1 Inequalities: Nature, Types and Significance
  - 9.6.1.1 Types and Issues of Socio-economic Inequalities
- 9.6.2 Ways of Promoting Equality with Equity and Social Justice

9.7 Let Us Sum Up

9.8 Answers to 'Check Your Progress' Questions

9.9 References

9.0 INTRODUCTION

In Block 1 of MAE-004, we introduced you to "Extension Education and Development" and in Block 2 we have focused on "Dynamics of Extension and Development". Having gone through these Blocks, you must have understood that the concept 'development' itself is an issue as there is no universally accepted definition of it. So, it is important to note that the concept of 'development' by itself is a complex issue with many different and sometimes contentious definitions. You can, however, recall from Unit 4 (Block 1), that development broadly is about the following.

- Increasing national wealth;
- Improving the well-being (nutrition, education, health and wealth) of the majority of the population;
- Ensuring people's freedom; and
- Increasing their social and economic security.

A basic perspective *equates development with economic growth.* Whereas, the United Nations Development Programme uses a more detailed definition: according to them development is *'to lead long and healthy lives, to be knowledgeable, to have access to the resources needed for a decent standard of living and to be able to participate in the life of the community.'* Achieving human development is linked to another perspective of development which views it as *freeing people from obstacles* that affect their ability to develop their own lives and communities. *Development, therefore, is empowerment*: it is about local people taking control of their own lives, expressing their own demands and finding their own solutions to their problems (http://www.volunteeringoptions.org/VolunteeringDevelopment/WhatisDevelopment/tabid/78/Default.aspx). Therefore, the issues of development of a country are essentially related to development of its population and other resources that encompass educational, economic, social, political and other aspects of life. However, distorted development in these aspects leads to the problems of poverty, illiteracy, unemployment, environment, infrastructure and many inequalities among the people which together have lot of relevance to nation-building. We will discuss these basic problems and issues in this Unit.

9.1 OBJECTIVES

In this Unit, we will focus our discussion on the complexity and magnitude of the basic problems and issues in development. After going through this unit, we expect you to be able to:

- Identify the basic problems and issues of development;
- Analyse the interrelationship between these issues and problems; and
- Discuss the possible measures of addressing these problems and issues.

9.2 POPULATION ISSUES AND PROBLEMS IN DEVELOPMENT

Development essentially is about population. So, population itself is the most important issue around which development revolves. In this section, we will focus on population issues and problems in development.

The *world population,* i.e. the total number of living humans on the planet Earth is currently estimated to be 6.94 billion (United States Census Bureau, 2011). The world population has increased continuously since 1350. After the end of Bubonic Plague, Great Famine and Hundred Years Wars, it was about 300 million. The highest rates of growth i.e. increases above 1.8% per year were seen briefly during the 1950s, for a longer period during the 1960s and 1970s, but with a peak at 2.2% in 1963, and declined to 1.1% by 2009. Annual births have reduced to 140 million since their peak at 173 million in the late 1990s, while deaths numbered 57 million per year. Current projections show a continued increase of population (but with a steady decline in the growth rate) to reach between 7.5 and 10.5 billion by the year 2050. The rapid growth of the world's population over the past one hundred years results from a difference between the birth rates and the death rates. The human population will increase by one billion people in the next decade. The growth in human population around the world affects all people through its impact on the economy and environment. Thus, the current rate of population growth is now a significant burden to human well-being.

The Population Division of the United Nation's Department of Economic and Social Affairs (2011) stated that by the end of this century, the population will reach 10.1 billion by 2100. Major growth (97 percent) in population in the next 40 years will take place in less developed regions, with just under half in Africa alone. By contrast, the populations of more developed countries will remain flat – with an ageing population and fewer working population to support the others.

It's an unprecedented global demographic upheaval that the developing countries, already under a lot of pressure for resources, will face tremendous difficulties in supplying food, water, housing and energy to their growing populations, with repercussions for health, security, and economic growth (David Bloom, 2011). Although the issues immediately confronting developing countries are different from those facing the rich countries, in a globalized world demographic challenges anywhere are demographic challenges everywhere. As such, examining the population growth patterns and understanding the consequences of overpopulation can help us plan for the future.

In this context, if we look at the population changes in its historical perspective, it provides us better understanding of different dimensions of the issues involved then and now.

9.2.1 World Population in Antiquity, Middle Ages and Modern Era: Major Issues

There was a population bottleneck around the period 70,000 BC. It is estimated that the world population stabilized at about one million people whose subsistence entailed hunting and foraging, a lifestyle that by its very nature ensured a low population density. Until the invention and development of agriculture, the total

world population did not exceed 15 million inhabitants. By contrast, it is estimated that more than 55 million people lived in the combined eastern and western Roman Empire (AD 300–400) ("Roman Empire", Microsoft Encarta Online Encyclopedia, 2008).

The Europe's Justinian plague caused the population to fall by about 50% between 541 and the 8th century. The population of Europe was more than 70 million in 1340. The Black Death pandemic in the 14th century reduced the world's population from an estimated 450 million to between 350 and 375 million in 1400. Europe was thus severely affected by these pandemics. It took Europe about 200 years to regain its 1340 level of population.

China experienced a population decline from an estimated 123 million around 1200 to an estimated 65 million in 1393, which was presumably due to a combination of Mongol invasions and bubonic plague. In 1368, at the beginning of the Ming Dynasty, China's population was close to 60 million, and towards the end of the dynasty in 1644 it was around 150 million.

England's population reached an estimated 5.6 million in 1650, up from an estimated 2.6 million in 1500. Portuguese traders in the 16th century introduced new crops like maize and manioc which replaced the traditional American crops as the continent's most important staple food crops. These American crops enabled heavier settlement in the rain forest than before and contributed to the population growth.

The population of the America in 1500 was between 50 and 100 million. The pre-Columbian North American population numbered between 2 million and 18 million. Encounters between European explorers and populations in the rest of the world often resulted in local epidemics of extraordinary virulence. Archaeological evidence indicates that the death of around 90% of the Native American population of the New World was caused by Old World diseases such as smallpox, measles, and influenza. Over the centuries, the Europeans had developed high degrees of immunity to these diseases, while the indigenous peoples had no such immunity. Thus, the population problems and issues were quite different from those of the modern era and widely fluctuating in terms of their effect on the growth and development of population.

World Population Issues in Modern Era: In 1800, the population that lived in cities was 3% world's population and rose to 47% at the end of the twentieth century. During the Agricultural and Industrial Revolutions, the life expectancy of children increased tremendously. Europe's population increased from about 100 million in 1700 to 400 million by 1900 and comprised of 36% of the world's population (http://en.wikipedia.org/wiki/World_population#Modern_era).

With improvements in medicine and sanitation and the introduction of compulsory vaccination, the population growth became more rapid.

- As living conditions and health care improved during the 19th century, the United Kingdom's population doubled every fifty years. By 1801 the population of England had grown to 8.3 million, and to 30.5 million by 1901.
- The population of the Indian subcontinent, which stood at about 125 million in 1750, had reached 389 million by 1941. Currently, it stands second in the world and is home to 1.22 billion people.

- The total number of inhabitants of Java increased from about five million in 1815 to more than 130 million in the early 21st century.
- Mexico's population has grown from 13.6 million in 1900 to about 112 million in 2009. In eighty years, Kenya's population has grown from 2.9 million to 37 million.
- In Russia and the Soviet Union, the first fifty years of the 20th century were marked by a succession of disasters, each accompanied by large scale population losses. By 1945, the population was less by about 90 million than it could have been otherwise.

In the 20th century, the world saw the biggest increase in its population in human history due to medical advances and reduction in mortality. In many countries, the Green Revolution led to massive increases in agricultural productivity which culminated in improved nutrition and health status. Globally, from 1963 the population growth rate has been steadily declining from its peak of 2.19%, but growth remained high in Latin America, the Middle East and Sub-Saharan Africa. Some countries showed negative population growth (i.e. net decrease in population over time), especially in Central and Eastern Europe (mainly due to low fertility rates). Within the next decade, Japan and some countries in Western Europe are also expected to encounter negative population growth due to sub-replacement fertility rates.

The United Nations (2000, See http://en.wikipedia.org/wiki/United_Nations) estimated that the world's population was growing at the rate of 1.14% (or about seventy-five million people) per year, down from a peak of eighty-eight million per year in 1989. In the last few centuries, the number of people living on Earth has increased many times over. By 2000, there were ten times as many people on Earth as there were three hundred years ago. The data from the CIA's 2005–2006 World Facts book reported that the world human population increased by an average of 203,800 people every day, which further increased to 211,090 people in 2007, and again to 220,980 people every day in 2009. In 2006, the United Nations stated that the rate of population growth was diminishing due to the demographic transition. If this trend continues, the rate of growth may diminish to zero, concurrent with a world population plateau of 9.2 billion, in 2050. However, this is only one of many estimates published by the UN. In 2009, UN projections for 2050 ranged from about 8 billion to 10.5 billion. World population estimates for 2000-2050 are as follows.

Table 9.1: World Population Estimates

Year	UN est. (millions)	Difference	US est. (millions)	Difference
2000	6,123	-	6,090	-
2010	6,896	773	6,852	763
2020	7,657	761	7,593	740
2030	8,321	665	8,249	656
2040	8,874	553	8,801	552
2050	9,306	432	9,256	456

9.2.1.1 Regional Differences and Milestones in World Population

As can be seen from Table 9.2, while some continents/countries are densely populated the others are less densely populated.

Table 9.2: Population Density of Continents / Countries (2011)

Continent Name	Density (inhab./km²)	Population (2011)	Most populous country	Most populous city
Asia	86.7	4,140,336,501	People's Republic of China (1,341,403,687)	Tokyo (37,730,064)
Africa	32.7	994,527,534	Nigeria (152,217,341)	Cairo (19,439,541)
Europe	70.0	738,523,843	Russia (142,905,200)	Moscow (14,837,510)
North America	22.9	528,720,588	United States of America (308,745,538)	Mexico City (21,163,226)
South America	21.4	385,742,554	Brazil (190,732,694)	São Paulo (19,672,582)
Oceania	4.25	36,102,071	Australia (22,612,355)	Sydney (4,575,532)
Antarctica	0.00	3,687 (non-permanent)	Antarctica (3,687, nonpermanent)	No cities

Source: http://en.wikipedia.org/wiki/World_population#Modern_era.

The growth of population of the world during the period from 2000 to 2005 was 383.047 million. However, the growth in different regions was different. Depending upon the size as well as different growth rates, the growth in population of the different regions from 2000 to 2005 was different:

- 237.771 million in Asia,
- 92.293 million in Africa,
- 38.052 million in Latin America,
- 16.241 million in Northern America,
- 3.264 million in Europe, and
- 1.955 million in Oceania.

Ten countries with largest total population of the world include the following.

Table 9.3: Ten Countries with Largest Total Population

Rank	Country/ Territory	Population	Date	% of world population	Source
1	People's Republic of China	1,346,060,000	September 2, 2011	19.4%	Chinese Official Population Clock
2	India	1,210,193,422	March 2011	17%	Census of India Organisation
3	United States	312,119,000	September 2, 2011	4.5%	United States Official Population Clock
4	Indonesia	238,400,000	May 2010	3.37%	Suluh Nusantara Indonesia Census Report
5	Brazil	195,179,000	February 2, 2011	2.81%	Brazilian Official Population Clock
6	Pakistan	177,105,000	September 2, 2011	2.55%	Official Pakistani Population Clock
7	Nigeria	158,259,000	2010	2.28%	2008 UN estimate for year 2010
8	Bangladesh	142.325,250	2010	2.37%	2008 UN estimate for year 2010
9	Russia	141,927,297	January 1, 2010	2.04%	Federal State Statistics Service of Russia
10	Japan	127,380,000	June 1, 2010	1.84%	Official Japan Statistics Bureau

Approximately 4.03 billion people live in these ten countries, representing 58.7% of the world's population as of November 2010.

Regional milestones in population: Some of the regional milestones such as the following are worth noting.

- Asia accounts for over 60% of the world population with more than 4 billion people. China and India together have about 37 percent of the world's population. Africa follows with 1 billion people, 15% of the world's population. Europe's 733 million people make up 11% of the world's population. Latin America and the Caribbean region have 589 million (9%), Northern America have 352 million (5%) and Oceania have 35 million (0.5 %) population.

- It is estimated that the population of the world reached one billion in 1804, two billion in 1927, three billion in 1960, four billion in 1974, five billion in 1987, and six billion in 1999. It is projected to reach seven billion in October 2011, and around eight billion by 2025–2030. By 2045–2050, the world's population is currently projected to reach around nine billion, with alternative scenarios ranging from 7.4 billion to 10.6 billion.

- Regionally, the first region to have a billion people was the Northern Hemisphere, followed shortly by the Eastern Hemisphere, Asia, then East Asia and South Asia, followed by China in 1980, India in 1999, Western Hemisphere in 2000s and Africa in 2010. The demographers are expecting the next billion people milestone would be in America which has a current population of around 920 million. It is expected that the Southern Hemisphere and Subsaharan Africa with each around 850 million people will follow. The Northern Hemisphere, Eastern Hemisphere, and Asia have surpassed the figures of 2, 3 and 4 billion marks respectively.

9.2.2 Overpopulation: Forecasts of Food Scarcity and other Consequences

In the past, infant and childhood deaths and short life spans used to limit population growth. In today's world with improved nutrition, sanitation and medical care, more babies survive their first few years of life. The combination of a continuing high birth rate and a low death rate is creating a rapid population increase in many countries in Asia, Latin America and Africa and people generally lived longer.

9.2.2.1 Definition of Overpopulation

As mentioned elsewhere above, by 2045–2050, the world's population is currently projected to reach around nine billion, with alternative scenarios ranging from 7.4 billion to 10.6 billion. This means that more people are now being added each day than at any other time in human history. This ceaseless growth will lead to a situation of overpopulation:

> "Over-population is defined as the condition of having more people than those that can live on Earth in comfort, happiness and health, and still leave the world a fit place for future generations. Demographers now believe that the greatest threat to the future comes from overpopulation" (http://en.wikipedia.Org/wiki/Overpopulation).

9.2.2.2 Causes of Overpopulation

Until recently, the difference between the birth rates and the death rates was not so large and the population growth was not alarming as the population was nearly stable. People had many children, but a large number of them died before age five. During the Industrial Revolution, a period of history in Europe and North America, where there were great advances in science and technology, the success in reducing death rates was attributable to several factors: i) increases in food production and distribution, ii) improvement in public health (water and sanitation), and iii) medical technology (vaccines and antibiotics), along with gains in education and standards of living within many developing nations. Without these, many children could not have survived common diseases like measles, the flu, etc. People were able to fight and cure deadly germs that once killed them. In addition, because of the technology, people could produce more and different kinds of food. Gradually, over a period of time, many discoveries and inventions spread throughout the world, lowering death rates and improving the quality of life for most people.

9.2.2.3 Forecasts of Food Security and other Consequences of Rapid Population Growth

Because of the above causes, in the long run, the future population growth of the world is difficult to predict. Birth rates are declining slightly on average, but vary greatly between developed countries (where birth rates are often at or below replacement levels) and developing countries, which have high birth rates. Death rates can change unexpectedly due to disease, disasters, wars and catastrophes, or advances in medicine. The growing population's demand for scarce resources may also lead to a sudden population crash, or even a Malthusian catastrophe – population growth exceeding food supply.

Thomas Malthus, in 1978, predicted that by mid-19 century, population growth would out-run food supply. In 1968, Paul R. Ehrlich in his Book *The Population Bomb*, reiterated the argument predicting famines in the 70s and 80s. These dire predictions were challenged by a number of economists, notably Julian Lincoln Simon (1981). Agricultural research was the focused area and Green Revolution led to dramatic improvements in crop yields. From 1950 to 1984 Green Revolution transformed agriculture around the world and grain production increased by over 250%. The world population has grown by about four billion since the beginning of the Green Revolution. However, the energy for Green Revolution was provided by fossil fuels in the form of fertilizers (natural gas), pesticides (oil), and hydrocarbon-fueled irrigation. Malthusians point that the increasing oil prices and absolute numbers of population would have a devastating effect because of the reliance of green revolution heavily on petroleum-based fertilizers, and the genetic uniformity of the crops there on (crop failure would be widespread). Sharply rising food prices on a global scale, in the early 21st century, causing widespread malnutrition in many developing countries is an example.

Global population growth, climate change, loss of agricultural land to residential and industrial development, increasing oil prices and growing consumer demand are pushing the prices of food grain up. Food riots are becoming a regular phenomenon across the world. The Chief Scientist, UK government warned that growing populations, falling energy sources and food shortages will create the "perfect storm" by 2030. He said food reserves are at a fifty-year low while the world will require 50% more energy, food and water by 2030. The United Nations' Food and Agriculture Organisation (FAO, 2009) said that the world will have to produce 70% more food by 2050 to feed a projected extra 2.3 billion people and as incomes rise. The observed figures for 2007 show an actual increase in absolute numbers of undernourished people in the world - 923 million in 2007 versus 832 million in 1995; the more recent FAO estimates give an even more dramatic increase, to 1.02 billion in 2009. The ever increasing population in absolute numbers coupled with natural disasters and famines are resulting in crop failures and food scarcities. The gross ecological pollution and damage was also having its toll.

The accelerated growth of the human population on Earth may have several other adverse consequences. Every species on the planet has a natural growth limit. When this limit is surpassed, the health of the world, other species and the overpopulated species are put at risk. If human population growth does not slow down, humans will be faced with very tough conditions. However, by reviewing the consequences of population growth, solutions can be found to the problem before the impact on Earth is irreversible.

As the human population increases, the chances for massive death caused by infection from a virus with no known vaccination increases as well. This could potentially cause massive human death. According to Earth Portals (http://www.ehow.com/list_6950603_consequences-high-population-growth.html): "In addition to mass starvation, biologists predict that a lethal pathogen could evolve and spread around the world in a matter of hours through our transportation system." This results from the ease with which the virus would spread from person to person in the densely populated world.

Human activities such as the burning of fossil fuels and agricultural food production are causing the extinction of species. Habitats are being reduced or lost as a result of global warming. According to Earth Portals (Ibid): "The rate of ecosystem change is now so rapid that many species are becoming extinct on a mass scale." The greenhouse gas effect, with its impact on climate, is also causing "unnatural" species extinction. This extinction of species can have unexpected consequences for the survival of other species and human population.

Oil is a non-renewable resource with a high competition in the future. As non-renewable resources such as oil deplete, conflict will arise over who owns these resources. Unexpected consequences can occur when increasing resource production. Accidents such as the 2010 BP Gulf Oil Spill is a glaring reminder of the dangers involved in obtaining resources.

Higher population growth can also hurt the economy and the consequences on the world economy may be severe. According to the United Nations: "Rapid population growth is a serious burden to generate sustained increases in per capita product." If the population in an area has limited food and water sources and poor government labor control, then poverty is the inevitable economic result. Industrial growth is based on fossil-fuels and their by-products. With a high population, fossil fuels will deplete leading to economic collapse and poverty. High fertility rates have historically been strongly correlated with poverty and high childhood mortality rates. People densely packed into unsanitary housing are inordinately vulnerable to natural disasters and health problems. Overpopulation and poverty have been associated with increased diseases and death.

- **Environment and ecological consequences**: The scientific consensus is that the current population expansion and accompanying increase in usage of resources is linked to threats to the ecosystem. The Inter Academy Panel Statement on Population Growth, which was ratified by 58 member national academies in 1994 called the growth in human numbers "unprecedented", and stated that many environmental problems such as rising levels of atmospheric carbon dioxide, global warming and pollution were aggravated by the population expansion.

  In many developing countries, continued population growth has resulted in pressure on land, fragmentation of land-holding, collapsing fisheries, shrinking forests, rising temperatures, loss of plant and animal species. Global warming due to increasing use of fossil fuels (mainly by the developed countries) could have serious effects on the populous coastal regions in developing countries, their food production and essential water supplies. The Intergovernmental Panel on Climate Change (2007) has projected that,

if current greenhouse gas emission trends continue, the mean global surface temperature will rise from 1 to 3.5 degrees Celsius in the next century. The panel's best estimate scenario projects a sea-level rise of 15 to 95 centimeters by 2100. The ecological impact of rising oceans would include increased flooding, coastal erosion, salination of aquifers and coastal crop land and displacement of millions of people living near the coast. Patterns of precipitation are also likely to change, which combined with increased average temperatures could substantially alter the relative agricultural productivity of different regions. Greenhouse gas emissions are closely linked to both population growth and development. Slower population growth in developing countries and ecologically sustainable lifestyles in developed countries would make reduction in green house gas emission easier to achieve and provide more time and options for adaptation to climate change.

- **Urbanization:** The proportion of people in developing countries who live in cities has almost doubled since 1960 (from less than 22 per cent to more than 40 per cent), while in more developed regions the urban share has grown from 61 per cent to 76 per cent. Urbanization is projected to continue well into the next century. By 2030 it is expected that nearly 5 billion (61 per cent of the world's 8.1 billion) people will live in cities.

  Globally, the number of cities with 10 million or more inhabitants is increasing rapidly, and most of these new "megacities" are in developing regions. In 1960, only New York and Tokyo had more than 10 million people. By 1999, the number of megacities had grown to 17 (13 in developing countries). It is projected that there will be 26 megacities by 2015 (18 in Asia; of these five in India) and more than 10 per cent of the world's population will live in these cities. As a consequence cities are facing the problem of expanding urban slums.

  But, the rapid growth of urban population also poses some serious challenges. Urban population growth has out-paced the development of basic minimum services — housing, water supply, sewerage and solid-waste disposal – which are far from adequate; increasing waste generation at home, offices and industries, coupled with poor waste disposal facilities result in rapid environmental deterioration. Increasing automobiles add to air pollution. All these again have adverse effect on ecology and health. Poverty persists in urban and semi-urban areas; awareness about the glaring inequities in close urban setting may lead to social unrest. Increase in Indian population over a period of time and increasing migration to urban areas has also resulted in slum population growth. Despite the Government's efforts to build new houses and other basic infrastructure, most of the people living in slum areas do not have electricity, water supply and cooking gas (The State of World Population, 1999 and Population Projections for India 1996-2016).

9.2.3 Indian Population: Important Issues of Development

The country's population in 1947 was a mere 350 million. Since then, the population of India has more than tripled. India's 2011 census showed that the country's population had grown by 181 million people in the last decade. With 1,210,000,000 (1.21 billion) people in 2011, India is currently the world's second largest country and represents 17% of the Earth's population. India crossed the

one billion mark in the year 2000, one year after the world's population crossed the six billion threshold. Demographers estimate India's population to surpass the population of China, currently the most populous country in the world, by 2030. India is expected to have a population of more than 1.53 billion by 2030 while China's population is forecast to be at its peak of 1.46 billion (and will begin to drop in subsequent years).

Some of the reasons for India's rapidly growing population are poverty, illiteracy, high fertility rate, rapid decline in mortality rates and immigration from Bangladesh and Nepal. Alarmed by these problems and its swelling population, and with a foresight India started taking measures to stem the growth rate by launching the National Family Planning programme in 1952 itself. The family planning programme yielded noticeable results, bringing down significantly the country's fertility rate. In 1950, India's total fertility rate was approximately 6 (children per woman). Nonetheless, since 1952 India has worked to control its population growth; it was the first country in the world to have a population policy. During 1965-2009, the contraceptive usage has more than tripled and the fertility rate more than halved. In 1983, the goal of the country's National Health Policy was to have a replacement value of total fertility rate of 2.1 by the year 2000. This was not achieved and the country formulated a new National Population Policy with the primary goal of reducing the total fertility rate to 2.1 by 2010. The total fertility rate in India remains high at 2.8 and India's population continues to grow at a rapid rate. The U. S. Census Bureau (http:// geography.about.com/od/obtainpopulationdata/a/indiapopulation.htm-2011) predicted a near-replacement total fertility rate of 2.2 to be achieved in India by 2050.

India's high population growth resulted in increasingly impoverished and sub-standard conditions for some of the growing segments. As of 2007, India ranked 126th on the United Nations' Human Development Index, which takes into account social, health and educational conditions in a country. Population projections for India show that the country's population will reach 1.5 to 1.8 billion by 2050. The Population Reference Bureau (http://geography. about.Com/ od/obtainpopulationdata/a/indiapopulation.htm - 2011) has published projections up to 2100 and estimated India's population to reach 1.853 to 2.181 billion at the close of the twenty-first century. Thus, India is expected to become the first and only country on the planet that will ever reach a population of more than 2 billion.

i) **Sex Ratio in India:** Sex Ratio is a term used to define number of females per 1000 males. It reflects the equality of males and females in a society at a given period of time. In India, sex ratio has shown continuous improvement in the last three decades; it has gone up from 927 in 1991 to 933 in 2001, to 940 in 2011 census. Census of India 2011, showed improvement in the sex ratio but it was still very low in state's like Haryana. The state of Kerala with 1084 had the highest sex ratio in India. Haryana had the lowest sex ratio of 877 females per 1000 males. Sex ratio in India varied from region to region and from state to state, from UT to UT. Of the Union Territories of India, Daman and Diu has the lowest female sex ratio (618) while Pondicherry has the highest female sex ratio (1038).

ii) **Urban-Rural Differentials:** According to the provisional data released by Census of India 2011, these are some trends of urban and rural population of India.

- Rural population in India: 68.84%
- Urban population in India: 31.16%
- For the first time since Independence, the absolute increase in population is more in urban areas than in rural areas.
- Level of urbanization increased from 27.81% in 2001 Census to 31.16% in 2011 Census
- The proportion of rural population declined from 72.19% to 68.84%.

It is clear that India shares the global trend towards urbanization.

iii) Slum population in India: Slum population simply refers to people living in slum areas below the poverty line. These people usually live in slum areas connected to the city. As India is still on the path of development, there is large number of people living below the poverty line. According to Government sources, the slum population of India exceeds the population of Britain. It has doubled in last two decades. According to 2001 Census, the slum-dwelling population of India had risen from 27.9 million in 1981 to 61.8 million in 2001. Indian economy has achieved a significant growth of 8 percent annually in last four years, but there is large number of people, nearly 1.1 billion, still surviving on less than 1 $ (around 46 INR) a day.

- *Slum population in Mumbai:* Mumbai which is known as *financial capital of India* is the home to estimated 6.5 million slum people. Nearly 55% of Mumbai's population lives in slum areas.
- *Slum population in Delhi:* After Mumbai, Delhi has the second largest slum Population in India. Nearly 1.8 million people live in slum areas in the *capital of India.*

iv) Labour, employment and manpower

- *Labour:* Population, which is engaged in any economic activity (employed persons) and population seeking work (unemployed) constitute labour force. India has the second largest labour force in the world. Projection of labour force is pre-requisite ensuring optimal utilisation of available human resources. Manpower development is then taken up to provide adequate labour force of appropriate skills and quality to different sectors so that there is rapid socio-economic development and there is no mismatch between skills required and skills available.

Table 9.4: Population and Labour Force Projections: 1997-2012 (in millions)

	1997	2002	2007	2012
Population	951.18	1028.93	1112.86	1196.41
Labour Force	397.22	449.62	507.94	562.91

Source: http://planningcommission.nic.in/reports/wrkpapers/wp_hwpaper.pdf

Labour force in India will be increasing by more than 10 million per annum during 1997-2012. It will be imperative to plan for and achieve adequate agricultural and industrial growth to absorb this work force. Most of the

persons entering the labour force will be educated and have some skills. Increasing literacy and decreasing birth rates may result in more women seeking economically productive work outside home. It will be important to generate appropriate and remunerative employment at places where labour forces are available so as to reduce interstate and urban migration in search of employment. Attempts should be made to eliminate bonded labour, employment of children and women in hazardous industries and minimizing occupational health hazards.

Planners face the challenge to have sustained high economic growth rate in sectors that are labour-intensive to ensure adequate employment generation for productively utilising this massive work force. If the massive work force of literate, skilled, aware men and women in age-group 20-60 years get fully employed and adequately paid they could trigger off a period of rapid economic development.

- *Unemployment:* India as a nation is faced with massive problem of unemployment. Unemployment can be defined as a state of worklessness for a man fit and willing to work. It is a condition of involuntary and not voluntary idleness. Some features of unemployment have been identified as follows:

  - ✓ The incidence of unemployment is much higher in urban areas than in rural areas.
  - ✓ Unemployment rates for women are higher than those for men.
  - ✓ The incidence of unemployment among the educated is much higher than the overall unemployment.
  - ✓ There is greater unemployment in agricultural sector than in industrial and other major sectors.

  Various problems have caused unemployment a colossal problem. There are individual factors like age, vocational unfitness and physical disabilities which restrict the people. External factors include technological and economic factors. There is enormous increase in the population and every year about 5 million people become eligible for securing jobs. Business field is subject to ups and downs of trade cycle and globalization. Economic depression or sick industries are often closed down compelling their employees to become unemployed. Technological advancement contributes to economic development. But, unplanned and uncontrolled growth of technology is causing havoc on job opportunities. The computerization and automation has led to technological unemployment. Strikes and lockouts have become inseparable aspect of the industrial world today. Due to these, industries often face economic loses and production comes down. Since workers do not get any salary or wages during the strike period they suffer from economic hardships. They become permanently or temporarily unemployed. Today young people are not ready to take jobs which are considered to be socially degrading or lowly. Our educational system has its own irreparable defects and its contribution to the unemployment is an open truth. Our education does not prepare the minds of young generation to become self-employed, on the contrary it makes them dependent on government vacancies which are hard to come.

v) **Rapid development activities and issues of ecological balance:** Rapid developmental activities either to meet the demands of growing population or the growing needs of the population due to changing lifestyles and consumption patterns pose major challenge to preservation and promotion of ecological balance in India. Some of the major ecological adverse effects reported in India include:

- Pressure on the forests due to both the rate of resource use and the nature of use. The per capita forest biomass in the country is only about 6 tons as against the global average of 82 tons;
- Adverse effect on species diversity;
- Conversion of habitat to some other land use such as agriculture, urban development, forestry operation. Some 70-80% of fresh water marshes and lakes in the Gangetic flood plains has been lost in the last 50 years;
- Tropical deforestation and destruction of mangroves for commercial needs and fuel wood. The country's mangrove areas have reduced from 700,000 ha to 453,000 ha in the last 50 years;
- Intense grazing by domestic livestock;
- Poaching and illegal harvesting of wildlife;
- Increase in agricultural area, high use of chemical fertilizers, pesticides and weedicides;
- Water stagnation, soil erosion, soil salinity and low productivity;
- High level of biomass burning causing large-scale indoor pollution;
- Encroachment on habitat for rail and road construction thereby fragmenting the habitat;
- Increase in commercial activities such as mining and unsustainable resource extraction;
- Degradation of coastal and other aquatic ecosystems from domestic sewage, pesticides, fertilizers and industrial effluents;
- Over-fishing in water bodies and introduction of weeds and exotic species;
- Diversion of water for domestic, industrial and agricultural uses leading to increased river pollution and decrease in self-cleaning properties of rivers;
- Increasing water requirement leading to tapping deeper aquifers which have high content of arsenic or fluoride resulting in health problems;
- Disturbance from increased recreational activity and tourism causing pollution of natural ecosystems with wastes left behind by people.

9.2.4 Actions and Strategies for Solving Population Problems and Issues

In the past, human populations have rarely been subject to explosion, in numbers. The powerful long-term momentum that is built into the human age-structure

means that the effects of fertility changes become apparent only in the future. For these reasons, it is now conventional practice to use the technology of population projection as a means of better understanding the implications of trends. Population projections represent the playing out into the future of a set of assumptions about future fertility and mortality rates. Nevertheless, the continuing population growth is making substantial contributions to the destruction of Earth's life support systems.

More public education is needed to develop more awareness about population issues. Facts like the size or the growth rate of the human population should be in the head of every citizen. Schools should inform students about population issues in order for them to make projections about the future generations.

Action plans and strategies can be developed to increase public understanding of how rapid population growth limits chances for meeting basic needs. The spirit of open communication, and empowerment of individual women and men will be key to a successful solution to many population problems. Collective vision about health care, family planning and women's education at the community level will build a basis for action. The creation of action plans help to meet challenges to find cooperative solutions. Free and equal access to health care, family planning and education are desirable in their own right and will also help reduce unwanted fertility and population growth.

Individual choice, human rights and collective responsibility are key to allowing families to plan the size and spacing of their children. It is essential to achieve a balance between population and the available resources. Teachers, parents, community workers and other stakeholders should extend the range of choices about available resources to individuals, especially women, and by equalizing opportunities between the genders from birth onwards.

Teachers, other educators, parents, politicians and all other concerned citizens can practice how to make good decisions in everyday life. Decisions about family size and resources will affect the future generations. Through community forums, specific issues about the population growth can be discussed and possible action plans can be developed.

Teachers, as well as students can use the information superhighway to gain knowledge about other countries' population and resources. Teachers can help students with problems and decision-making on a daily basis. The investigation of world population will raise the level of awareness, so that we can learn to handle problems based on data. This data can help us to analyze our situations in a practical way and finding solutions to the issues. Teachers, students, parents and other stakeholders can look for trends in the population explosion. They can hold community meetings at school to discuss how this issue presents a challenge to the big picture of human population on the planet "Earth".

All these strategic aspects are articulated in the national population policies of the countries concerned. India, in fact, is the world leader in this regard for it pioneered the National Population Policy as early as 1951 itself. We will discuss National Population Policies - 1951, 1977 and 2000 of India, among other things, in detail in course "MAE-005: Population and Development Education".

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

1) What was the population density of Continents in 2011? Name one most populous country and one most populous city in each of the continents.

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2) Give a brief note on the growth of population of different regions of the world from 2000 to 2005.

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3) Define overpopulation. What are the causes of overpopulation?

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4) Mention five major ecologically adverse effects reported in India due to growing population.

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5) What is sex ratio? What significant change do you notice in it from 1991 to 2011 Censuses in India?

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9.3 POVERTY ISSUES IN DEVELOPMENT

Poverty is one of the main problems which have attracted attention of sociologists and economists. It indicates a condition in which a person fails to maintain a living standard adequate for his physical and mental efficiency. However, the term poverty is a relative concept and it is very difficult to draw a demarcation line between affluence and poverty. According to Adam Smith (See Wikipedia, the free encyclopedia, http://en.wikipedia.org/wiki/Adam_Smith), man is rich or poor according to the degree in which he can afford to enjoy the necessaries, the conveniences and the amusements of human life.

9.3.1 Global Poverty Situation: Causes and Effects

The following figures sum up the situation of global poverty (http:// www.globalissues.org/ issue/2/causes-of-poverty).

- Almost half the world — over 3 billion people — live on less than $2.50 a day.
- The GDP (Gross Domestic Product) of the 41 Heavily Indebted Poor Countries (567 million people) is less than the wealth of the world's 7 richest people combined.
- Nearly a billion people who entered the 21st century are unable to read a book or sign their names.
- Less than one per cent of what the world spent every year on weapons was needed to put every child into school by the year 2000 and yet it didn't happen.
- 1 billion children live in poverty (i.e. 1 in 2 children in the world). 640 million live without adequate shelter, 400 million have no access to safe drinking water, 270 million have no access to health services, 10.6 million died in 2003 before they reached the age of 5 (or roughly 29,000 children per day).

Basic Causes and Effects of Poverty: Poverty has many causes, and some of them are very basic. For instance, the world has too many people, too few jobs, and not enough food. Such basic causes are quite intractable and not easily eradicated. Thus, in most cases, the causes and effects of poverty interact, so that what makes people poor also creates conditions that keep them poor. Primary factors that may lead to poverty include: overpopulation, the unequal distribution of resources in the world economy, inability to meet high standards of living due to high costs of living, inadequate education and employment opportunities, environmental degradation, certain economic and demographic trends, and welfare incentives (http://www.fightpoverty. mmbrico.com/poverty/ reasons.html).

9.3.2 Poverty in India: Key Issues of Development

Poverty in India is a major issue. Since independence, the issue of poverty in India has remained a persisting and prevalent concern. Key issues of poverty in India are as follows.

9.3.2.1 Conceptual Issue of Defining Poverty

Since 1972 poverty has been defined on basis of the money required to buy food worth 2100 calories in urban areas and 2400 calories in rural areas. In June 2009, a government committee headed by N. C. Saxena estimated that 50% Indians were poor as against Planning Commission's 2006 figure of 28.5%. Later, a committee headed by S. D. Tendulkar, former chairperson of the PM Economic Advisory Committee (PMEAC), has used a different methodology, and in his preliminary findings reached at the figure of 38% of India's population (i.e. 380 million poor). The committee, based on new methodology, has taken into consideration indicators for health, education, sanitation, nutrition and income, as per the National Sample Survey Organisation (NSSO) survey of 2004-05, to reach at new poverty estimation for India. Thus, in last few years, several figures, from as low as 28.5% to as high as 77%, are floating around leaving it to conjecture as to how many more studies would be required to determine the actual number (Chetan Chauhan, 2009. See http://southasia.oneworld.net/todaysheadlines/yet-another-estimation-of-poverty-in-india).

9.3.2.2 Alarming Situation of Poverty in India: Factors and Issues

Even after more than 50 years of Independence *India still has the world's largest number of poor people.* Of its nearly 1 billion inhabitants, an estimated 260.3 million are below the poverty line, of which 193.2 million are in the rural areas and 67.1 million are in urban areas. More than 75% of poor people reside in villages. Poverty level is not uniform across India. The poverty level is below 10% in States like Delhi, Goa, and Punjab whereas it is below 50% in other States such as Bihar (43) and Orissa (47), and between 30-40% in North-Eastern States of Assam, Tripura, and Mehgalaya, and also in Southern state of Tamil Nadu and Northern state of Uttar Pradesh (Poverty in India, from Wikipedia, the free encyclopedia, http://en.wikipedia.org/wiki/ Poverty_in_India).

Rural-urban disparity in poverty: As of 2010, more than 37% of India's population still lives below the poverty line. More than 22% of the entire rural population and 15% of the urban population of India exists in this difficult physi- and financial predicament.

Poverty has many dimensions which vary from place to place and across time. The division of resources as well as wealth is uneven in India; this disparity creates different poverty ratios for different States. The government has been implementing poverty eradication programs but the benefits of these programs are yet to bear fruits. Thus, the causes of poverty are manifold including inadequate and ineffective implementation of anti-poverty programmes.

A number of factors are responsible for poverty in the rural and urban areas of India which are summed up as follows.

i) ***The basic reasons of rural poverty*** in India include the following.

- Unequal distribution of income
- Low productivity
- High population growth
- Illiteracy
- Large families/joint families
- Caste system
- Failures of the poverty eradication programmes

As a result the ***problems of rural poverty*** such as the following continue:

- Presence of malnutrition, illiteracy, diseases and long-term health problems.
- Unhygienic living conditions, lack of proper housing, high infant mortality rate, injustice to women and social ill-treatment of certain sections of society.

ii) ***The causes of urban poverty*** are different but have their basis in rural poverty. The main causes of urban poverty are predominantly due to impoverishment of rural peasantry that forces them to move out of villages to seek some subsistence living in the towns and cities. This is mainly due to unpredictable agricultural income and lack of employment opportunities in villages. So, they try to rely on jobs in town and cities that are, at best, scarce. In this process, they even lose the open space or habitat they had in villages albeit without food and other basic amenities. When they come to the cities, they get access to some food though other sanitary facilities including clean water supply still elude them. And they have to stay in the habitats that place them under sub-human conditions, among other problems.

Some of the important ***problems of urban poverty*** include the following.

- Restricted access to employment opportunities and income.
- Lack of proper housing facilities.
- Unhygienic environments.
- No social security schemes.
- Lack of opportunity to quality health and educational services.

The government of India has been trying its best to remove poverty through various efforts in the form of policies, strategies, schemes and programmes focused on improving the standard of living by ensuring food security, promoting self-employment, increasing wage employment and enhancing access to assets, and basic social services, among others. Yet, the problem of poverty persists because of a number of reasons, mainly lack of sincerity in implementation of the policies and programmes at different levels including transparency and accountability on one hand and huge leakages in the system on the other.

Nevertheless, these processes can be helpful only if the effect of policies reach those people for whom it is meant. The clash between the central government and the state government often results in the lack of implementation of these policies. So, it is very important that the government does not play vote-bank and power politics when it comes to a serious issue such as poverty.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

6) What are the major causes of rural poverty in India?

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9.4 ISSUES OF (IL)LITERACY IN DEVELOPMENT

The United Nations, which defines illiteracy as the inability to read and write a simple message in any language, has conducted a number of surveys on world illiteracy. In the first survey (1950, published in 1957) at least 44% of the world's population were found to be illiterate. A 1978 study showed the rate to have dropped to 32.5%. By 1990 illiteracy worldwide had dropped to about 27%, and by 1998 to 16%. However, a study by the United Nations Children's Fund (UNICEF) published in 1998 predicted that the world illiteracy rate would increase in the 21st century because only a quarter of the world's children were in school by the end of the 20th century. The highest illiteracy rates were found in the less developed nations of Africa, Asia, and South America; the lowest in Australia, Japan, North Korea and the more technologically advanced nations of Europe and North America. Using the UN definition of illiteracy, the United States and Canada have an overall illiteracy rate of about 1%. In certain disadvantaged areas, however, such as the rural South in the United States, the illiteracy rate is much higher (http://www.infoplease.com/ce6/ society/A0858751.html).

9.4.1 (Il)literacy: Conceptual Issue

The standards for what constitutes literacy are generally different from society to society or from country to country. Today, illiteracy is usually taken to mean 'being unable to read and write at a level adequate for written communication or

at a level that will allow an individual to function at certain levels of society'. For example, some cultures believe that only people with skills such as computers-related skills (computer literacy) and basic numeracy may be considered literate. This takes into account the fact that there are people who can add and subtract but can't read letters, as well as people who can learn to use a computer to a limited extent but may still not be able to read text. One example is Scotland, which defines literacy as: "The ability to read and write and use numeracy, to handle information, to express ideas and opinions, to make decisions and solve problems, as family members, workers, citizens and lifelong learners" (http://www.streetdirectory.Com/travel_guide/14494/education/the_problem_of_illiteracy.html). Whereas, in India, for the purpose of census, a person aged seven and above, who can both read and write with understanding in any language, is treated as literate.

Illiteracy rates are highest among developing countries, especially those in the South Asia, Arab and Sub-Saharan African regions where illiteracy is prevalent among 40 to 50% of populations. The East Asian and Latin American regions also have relatively high illiteracy rates ranging from 10 to 15%. In contrast, the illiteracy rate in developed countries is very less. However, it is important to note that illiteracy rates vary widely from country to country and are often directly proportionate to a country's wealth or urbanization level, although many other factors play a determining role.

9.4.2 Effects of (Il)literacy on Development: Issues and Interventions in India

As mentioned elsewhere above, poverty breads illiteracy and illiteracy breads poverty. Poverty is, of course, the major cause of illiteracy among large sections of population. The effects of illiteracy are not limited to only childhood days in early grade school but also through adulthood and rest of life. It limits a person's ability to function in day-to-day life – at home, in society, at work place, etc. In some cases, it can even be hazardous to a person's health. It hampers the general progress and development of not only the individual but also the society and the nation as whole. In general, the people with illiteracy range from extremely dysfunctional level to a limited functional level.

On a global level, analysts and policy makers consider illiteracy rates as an important factor in a country's or a region's "human capital," and with good reason, as it turns out. Based on numerous studies into this area, they conclude that literate people are easier and less expensive to train and have broader job opportunities and access to higher education. In Kerala, India, for example, female and child mortality rates declined dramatically in the 1960s, after girls who had been schooled to literacy in the education reforms after 1948 began to raise families. There are recent findings, however, that raise questions on correlations such as the one listed above, arguing that these may have more to do with the effects of schooling rather than literacy in general (http://www.streetdirectory.com/travel_guide/14494/ education/the_problem_of_illiteracy.html).

We all recognize that illiteracy is bed-rock that prevents the social, economic and cultural growth of people. Literacy is an important indicator of socio-economic development of a society or nation. In our country, illiteracy is by far the most serious problem as it continues to exist on an appalling scale.

In India, as mentioned above, for the purpose of census, a person aged seven and above, who can both write and read with understanding in any language is considered a literate. As per 2001 Population Census of India, the overall literacy rate of India was 65.38% with male literacy rate of 75.96% and female literacy rate of 54.28%. Whereas in 2011, the overall literacy rate rose to 74.04% with male literacy rate of 82.14% and female literacy rate of 65.46%. There were inter-state, inter-regional, male-female, rural-urban, and socio-economic differentials in literacy in all censuses and they also continued to persist even in 2011, but with some variations and shifts here and there.

Government of India has taken several measures to improve the literacy rate in villages and towns of India. State Governments have been directed to ensure and improve literacy rate in districts and villages where people are very poor. There has been a good improvement in literacy rate of India in the last 10 years but there is still a long way to go.

The States have had ambitious programmes of setting up primary schools in every village, but these have yet been in the cold shade of neglect. The result is that most of those who give up learning after this stage, are the drop-outs, lapse back into illiteracy and ignorance. Now that, the Right of Children to Free and Compulsory Education Act, 2009 is in force, education must be made available freely and compulsorily at least up to the age of fourteen. Of course, the Government has now to make provisions for financing the free and compulsory elementary education for all the children up to the age of fourteen. If implemented, it will mean the first step towards a nationwide programme of fight against the curse of illiteracy.

However, the problem of illiteracy in India will not be solved only by providing education for the children. Illiteracy is rampant among the older generation of people, particularly in the rural areas; and our social and cultural backwardness is due to this, among others. No doubt, Government of India has made many experiments, now and then, in non-formal and adult education front as well. Some of the important efforts so made include the following.

- The Gram Shikshan Mohim (in 1959 the State of Maharashtra)
- Farmers' Functional Literacy Projects (1967-68).
- Workers' Education (The scheme of Shramik Vidyapeeths in 1967).
- Non-Formal Education for Youth (1975).
- National Adult Education Programme (1978 to 1990).
- Rural Functional Literacy Project (RFLP) (1978).
- State Adult Education Programme (SAEP).
- Adult Education through Voluntary Agencies.
- National Literacy Mission (NLM) (1988).
- Saakshar Bharat (2009).

We have discussed the above programmes in Courses MAE-001 and MAE-002. We have highlighted important aspects of Saakshar Bhaarat in Unit-5 in Block-1 of the present course, i.e. MAE-004. To address the problem of illiteracy, education must be the primary responsibility of the State and voluntary efforts

can only touch a fringe of the problem. There is need for more cooperative and coordinated efforts by the Government, non-government and private organisations. In this regard, the examples set by the success stories in a few Districts of Kerala, and a few other districts in other States, of achieving hundred percent literacy through combined efforts of all educated men and women on total war-footing basis against illiteracy cannot be forgotten. It is only through revival and continuation of such concerted efforts with modified and reformed approaches as may be required the dream of eradication of adult illiteracy in India can be realized.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

7) Highlight the conceptual issues associated with (il)literacy.

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8) Explain, in brief, the main causes and effects of literacy.

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9.5 TYPES AND ISSUES OF INFRASTRUCTURE IN DEVELOPMENT

Infrastructure is the totality of basic physical and organizational structures needed for the operation of society or enterprise, or the services and facilities necessary for the economy to function. The term 'infrastructure' typically refers to the technical structures that support a society such as roads, water supply, sewers, electrical grids, telecommunications and so forth and can be defined as "the physical components of interrelated systems providing commodities and services essential to enable, sustain or enhance societal living conditions" (Infrastructure, From Wikipedia, the free encyclopedia, See http://en.wikipedia.org/wiki/ Infrastructure).

Viewed functionally, infrastructure facilitates the production and distribution of goods and services. For example, roads enable the transport of raw materials to a factory and also the distribution of finished products to markets. Similarly, it is essential for providing basic social services such as schools, libraries, hospitals, etc. In military parlance, the term 'infrastructure' refers to the buildings and other permanent installations necessary for the support, redeployment and operation of military forces.

That public policy discussion was hampered by lack of a precise definition for infrastructure. A US National Research Council Panel (http://en.wikipedia.org/wiki/Infrastructure) sought to clarify the situation by adopting the term "public works infrastructure", referring to:

"... both specific *functional modes* – highways, streets, roads and bridges; mass transit; airports and airways; water supply and water resources; water management; solid-waste treatment and disposal; electric power generation and transmission; telecommunications and hazardous waste management – and the *combined system* comprising these modal elements. A comprehension of infrastructure spans not only these public works facilities, but also the operating procedures, management practices and development policies that interact together with societal demand and the physical world to facilitate the transport of people and goods, provision of water for drinking and a variety of other uses, safe disposal of society's waste products, provision of energy where it is needed and transmission of information within and between communities."

In Keynesian economics, the word infrastructure was exclusively used to describe public assets that facilitate production, but not private assets of the same purpose. In post-Keynesian times, however, the word has grown in popularity. It has been applied with increasing generality to suggest the internal framework discernible in any technology, system or business organization.

9.5.1 Broad Categories of Infrastructure: Hard and Soft

Infrastructure can be classified into the following two broad categories.

- ***Hard infrastructure:*** This category refers to the large physical networks necessary for the functioning of a modern industrial nation.
- ***Soft infrastructure:*** It refers to all the institutions which are required to maintain the economic, health, cultural and social standards of a country such as the financial system, the education system, the health care system, the system of government and law enforcement as well as emergency services, among other things.

There are innumerable issues related to hard and soft infrastructure. While listing of all these issues is difficult, the same can be easily understood from the diverse types of hard and soft infrastructure given below.

9.5.2 Types of Hard Infrastructure

The hard infrastructure is limited to capital assets that serve the function of conveyance or channeling of people, vehicles, fluids, energy or information. It takes the form of either a network or a critical node used by vehicles or used for the transmission of electro-magnetic waves. This infrastructure includes both the fixed assets and the control systems and software parts required to operate, manage and monitor the systems as well as any accessory buildings, plants, or vehicles that are an essential part of the system. Also, included in it are fleets of vehicles operating according to schedules such as public transit buses and garbage collection vehicles. Further, it includes other basic facilities that are usually not part of a physical network such as oil refineries related to energy facilities and radio and television broadcasting technology networks related to communications facilities. According to Grubler (1990) different types of hard infrastructure include the following.

9.5.2.1 Transportation Infrastructure

This infrastructure includes the following.

- *Road and highway networks*: It includes structures such as bridges, tunnels, culverts, retaining walls; signage and markings, electrical systems such as street lighting and traffic lights; edge treatments such as curbs, sidewalks, landscaping; and specialized facilities such as road maintenance depots and rest areas.
- *Mass transport system:* It includes commuter rail system, subways, tramways, trolleys and bus transportation and railways including terminal facilities (rail yards, train stations), level crossings, signaling and communications systems.
- *Canals and navigable waterways* requiring continuous maintenance such as dredging, etc.
- *Seaports and lighthouses.*
- *Airports including air navigational systems.*
- *Bicycle paths and pedestrian walkways.*
- *Ferries* for canals, railroads, highways, airways and pipelines.

9.5.2.2 Energy Infrastructure

Energy infrastructure can be sub-divided into the following.

- *Electrical power network* which includes generation plants, electrical grids, substations and local distribution
- *Natural gas network* which includes pipelines, storage and distribution terminals as well as the distribution network. Some definitions may include the gas wells as well as the fleets of ships and trucks transporting liquefied gas.

- *Petroleum network* which includes pipelines and associated storage and distribution terminals plus the oil wells, refineries as well as the fleets of tanker ships and trucks.
- *Specialized coal-handling facilities* for washing, storing and transporting coal. Some definitions may include coal mines.
- *Heating networks* such as steam or hot water production and distribution networks for district heating systems.
- *Electric vehicle networks* including facilities for charging.

9.5.2.3 Water Management Infrastructure

It includes the following.

- *Drinking water supply network* including the system of pipes, storage reservoirs, pumps, valves, filtration and treatment equipment and meters plus buildings and other relevant structures to house the equipment used for the collection, treatment and distribution of drinking water.
- *System for sewage* collection and disposal of waste water.
- *Drainage systems* (Storm sewers, ditches, etc).
- *Major irrigation system* (reservoirs, irrigation canals).
- *Major flood control system* (dikes, levees, major pumping stations and floodgates).
- *Large-scale snow removal system* including fleets of salt-spreaders, snow-plows, snow blowers, dedicated dump-trucks, sidewalk plows, the dispatching and routing systems for these fleets, as well as fixed assets such as snow-dumps, snow-chutes, snow-melters.
- *Coastal management structures* such as seawalls, breakwaters, groynes, floodgates as well as the use of soft engineering techniques such as beach-nourishment, sand-dune stabilization and the protection of mangrove forests and coastal wetlands.

9.5.2.4 Communication Infrastructure

It includes the following.

- Postal service including sorting facilities.
- Telephone network (landlines) including telephone exchange systems.
- Mobile phone networks.
- Television and radio transmission stations.
- Cable television physical networks including receiving stations and cable distribution networks (does not include content providers or "networks" when used in the sense of a specialized channel such as CNN or MTV).
- The Internet, including the internet backbone, core routers and server farms, local internet service providers as well as the protocols and other basic software required for the system to function. It does not include specific websites, although may include some widely-used web-based services such as social network services and web search engines.

- Communications satellites.
- Undersea cables.
- Major private, government or dedicated telecommunications networks such as those used for internal communication and monitoring by major infrastructure companies, governments, the military or emergency services, as well as national research and education networks.
- Pneumatic tube mail distribution networks.

9.5.2.5 Solid Waste Management Infrastructure

It covers the infrastructure related to: i) Municipal garbage and recyclables collection; ii) Solid waste landfills; iii) Solid waste incinerators and plasma gasification facilities; iv) Materials recovery facilities; and v) Hazardous waste disposal facilities.

9.5.2.6 Earth Monitoring and Measurement Networks

These networks include: i) Meteorological monitoring networks; ii) Tidal monitoring networks; iii) Stream Gauge or fluviometeric monitoring networks; iv) Seismometer networks; v) Earth observation satellites; vi) Geodetic benchmarks; vii) Global positioning system; and viii) Spatial data infrastructure.

9.5.3 Types of Soft Infrastructure

Soft infrastructure includes both physical assets such as highly specialized buildings and equipment as well as non-physical assets such as the body of rules and regulations governing the various systems, the financing of these systems, and the systems and organizations by which highly skilled and specialized professionals are trained, their careers advanced by enabling them acquire experience and disciplined, if required, by professional associations (through professional training, accreditation and discipline).

Unlike hard infrastructure, the essence of soft infrastructure is the delivery of specialized services to people. The delivery of those services depends on highly developed systems and large specialized facilities of institutions that share many of the characteristics of hard infrastructure.

9.5.3.1 Governance Infrastructure

This infrastructure includes:

- The system of government and law enforcement such as the political, legislative, law enforcement, justice and penal systems as well as specialized facilities (government offices, court-houses, prisons, etc) and specialized systems for collecting, storing and disseminating data, laws and regulations.
- Emergency services such as police, fire protection and ambulances including specialized vehicles, buildings, communications and dispatching systems.
- Military infrastructure such as military bases, arms depots, training facilities, command centres, communication facilities, major weapons systems, fortifications, specialized arms manufacturing and strategic reserves.

9.5.3.2 Economic Infrastructure

It includes:

- The financial system such as the banking system and other financial institutions, the payment system, exchanges, the money supply, financial regulations as well as accounting standards and regulations;
- Major business logistics, facilities and systems including warehouses as well as warehousing and shipping management systems;
- Manufacturing infrastructure such as industrial parks and special economic zones, mines and processing plants for basic materials used as inputs in industry, specialized energy transportation and water infrastructure used by industry, plus the public safety, zoning and environmental laws and regulations that govern and limit industrial activity and standards organizations;
- Agricultural, forestry and fisheries infrastructure including specialized food and livestock transportation and storage facilities, major feedlots, agricultural price-support systems (including agricultural insurance), agricultural health standards, food inspection, experimental farms and agricultural research centres and schools, the system of licencing and quota management, enforcement systems against poaching, forest wardens and fire fighting.

9.5.3.3 Social Infrastructure

This infrastructure includes the following.

- The health care system that encompass hospitals, the financing of health care, the health insurance, the system of regulation and testing of medications and medical procedures, the system for training, inspection and professional discipline of doctors and other medical professionals, public health monitoring and regulations, as well as coordination of measures taken during public health emergencies such as epidemics.
- The educational and research system such as elementary and secondary schools, Universities, specialized colleges, research and training institutions, the systems for financing and accrediting educational institutions.
- Social welfare systems covering both government support and private charity for the poor, for people in distress or victims of abuse.

9.5.3.4 Cultural, Sports and Recreational Infrastructure

This infrastructure includes the following.

- Sports and recreational infrastructure such as parks, sports facilities, the system of sports leagues and associations.
- Cultural infrastructure such as concert halls, museums, libraries, theatres, studios and specialized training facilities.
- Business travel and tourism infrastructure, including both man-made and natural attractions, convention centres, hotels, restaurants and other services that cater mainly to tourists and business travelers, as well as the systems for informing and attracting tourists and travel insurance.

All the types of infrastructure discussed above are affected in one way or the other by the issues of population, illiteracy, poverty and other socio-economic inequalities which in turn affect establishment of adequate infrastructure by the Government as well as their effective utilisation.

9.5.4 Government Policy on Infrastructure Development: Public-Private Partnership

Government is actively pursuing Public-Private Partnerships (PPPs) to bridge the infrastructure deficit in the country. Several initiatives have been taken during the past few years to promote PPPs in sectors like power, ports, highways, airports, tourism and urban infrastructure. Under the overall guidance of the committee on infrastructure headed by the Prime Minister, the PPP programme has been finalized and implementation of the various schemes is being closely monitored by the constituent Ministries / Departments under this programme. Indian experience shows that competition and PPPs can help in improving infrastructure of over US $492.5 billion during the 11th Five Year Plan (2007-2012). The infrastructure investment has increased in the past few years as driven by government initiatives and private participation, but that needs to be escalated in coming years. The Government of India expects that 22-25 percent of the investment (of US$ 384 billion) required is to come from private sector (Government of India, 2007).

To sum up, the Indian infrastructure space has gained much importance in the recent past, and provides immense opportunities for growth and development. Therefore, it is clear that there is substantial infrastructure needs in infrastructure sector in India, which, in other words, offers large investment opportunities. Many of the new investments (such as gas pipelines) seem to be viable on commercial terms and should be suitable for partnership with private investors. For many other infrastructure investments also Public-Private-Partnership (PPP) is emerging as the preferred instrument, where the private sector gets its normal financial rates of return while the public sector partner provides concessional funding based on the long-term direct and indirect benefits to the economy. New instruments such as Viability Gap Funding (VGF) through a special purpose vehicle (SPV) set up recently by the Government of India to fund mega infrastructure projects may be relevant for other Asian countries as well.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

9) Define "infrastructure". What are the broad categories of infrastructure?

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10) Describe in brief the water management infrastructure systems.

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9.6 ISSUES OF INEQUALITIES IN DEVELOPMENT

Problems of population, poverty, illiteracy and infrastructure discussed above are the root causes and also the effects of diverse inequalities in the society. The progress with social harmony is possible only through reduction of inequalities among different sections of the society. In this context, we attempt to discuss the concept of equity and equality, the forms of inequalities and the ways of promoting equality and other related issues.

9.6.1 Inequalities: Nature, Types and Significance

Equality can be understood as parity in the enjoyment of the fundamental rights and freedoms, as well as the opportunities with regard to education and work and the fulfillment of one's potential needs. *Equity* relates to a degree of equality in the living conditions of people, especially in terms of income and wealth, that the society considers desirable. Social and economic inequalities are the root causes of all other inequalities and reduction of inequalities is justified on equity considerations.

9.6.1.1 Types and Issues of Socio-economic Inequalities

Social inequality refers to a situation in which individual groups in a society do not have equal social status. Areas of potential social inequality include voting rights, freedom of speech and assembly, extent of property rights, access to education, health care, quality housing and other social goods and services. Social inequality can also be seen in the quality of family and neighbourhood life, occupation, job-satisfaction, and access to credit. When the divisions in these aspects harden, they lead to severe social disadvantages. However, the reasons for social inequality can vary widely, but are often broad and far reaching. Social inequalities exist between races, classes and countries. The results of such social inequalities can be seen around the globe in the histories of all countries. It is highly desirable that in any society, everyone should be able to access certain minimum levels of social welfare and recognition regardless of their individual positions, achievements and monetary resources.

Economic inequality is different from social inequality, though the two are much inter-linked. Economic inequality refers to disparities in the distribution of economic assets and income. While economic inequality is caused by the unequal accumulation of wealth, in societies where access to social goods depends on wealth social inequality exists. This is so because, unlike the wealthy, the lack of wealth prohibits some people in certain areas from obtaining the same basic things including housing, health care, etc. Thus, social inequality is linked not only to wealth inequality but also racial, gender and other inequalities. The way people behave socially, through racism and other forms of discrimination, tends to trickle down and affect the opportunities of individuals who can otherwise generate wealth for themselves. Shapiro (2004) in his book, *The Hidden Cost of Being African American,* presents a hypothetical example of inequality, in which he tries to demonstrate the level of inequality on the "playing field for blacks and whites". One example he presents is report on how a black family was denied a bank loan to use for housing, while a white family was approved. As being a homeowner is an important method in acquiring wealth, this situation created fewer opportunities for the black family to acquire wealth, producing social inequality. In this context, you may revisit Unit-8 of Block 2 of this course i.e. MAE-004 where we have highlighted how disparities lead to marginalization of the deprived.

Following are the major forms of social inequality that can be seen across the globe.

- **Gender inequality:** One of the major forms of social inequality is gender inequality. The emphasis on gender inequality is borne out of the deepening division in the role assigned to male and female in all spheres of human endeavour, particularly in the economic, political and educational spheres. Gender discrimination and women's empowerment/development is a greatly discussed matter, even though awareness regarding this subject is often ignored at the lower level. The gender and development approach through *gender analysis* seeks to understand the roles, responsibilities, resources and priorities of women and men within a specific context, by examining the social, economic and environmental factors which influence their roles and decision-making capacity. The practice of male-female differentiation results in structural and functional deprivation of the female in the life and their contribution to national development.

  Women's participation in work has been increasing globally. But, women are faced with wage discrepancies and differences compared to what men earn. This is true even for the same amount of work done by both and it oppresses women from rising to the upper rungs of the social and corporate ladder, regardless of their qualifications or achievements. This is still practiced by many countries, lowering the chances of women to excel. It prevents women from succeeding and making the maximum use of their potential. Ensuring women the rights they are entitled to will promote a sense of belongingness that motivates them to contribute more to the society.

- **Racial inequality:** Racial inequality is the belief where individuals are treated based on the race they belong to, and their racial characteristics such as their skin colour, physical characteristics, their place of origin and culture. Some races are considered superior than others, thus resulting in unequal treatments

and opportunities in a society. Racism is evident and people have the tendency to prejudge — just because one person or a group of people of a particular race does wrong, it doesn't give anybody the right to classify them all in that same group. This classification is known as *stereotyping,* it is so when people form pre-judgements and assumptions. The advancement of technology and what is shown on televisions, newspapers and the internet has a huge role to play in giving people some preconceived notions to decide their views on these races. This results in furthering of racial inequality.

- **Economic inequality:** Differences in national income (inequality in national income) around the world is measured by the national Gini coefficient. The Gini coefficient is a number between 0 and 1, where 0 corresponds with perfect equality (where everyone has the same income) and 1 corresponds with perfect inequality (where one person has all the income, and everyone else has zero income).

  Economic inequality (or "wealth and income differences") comprises all disparities in the distribution of economic assets and income. The term typically refers to inequality among individuals and groups within a society, but can also refer to inequality among countries. The issue of economic inequality is related to the ideas of equity: equality of outcome and equality of opportunity. The main instrument which diminishes economic inequality is progressive taxation, which has been demonstrated to be effective in international comparisons of income compression and wealth distribution. It is a contested issue as to whether economic inequality is a positive or negative phenomenon, both on utilitarian and moral grounds. Negative social phenomena such as shorter life expectancy, higher disease rates, homicide, infant mortality, obesity, teenage pregnancies, emotional depression and prison population correlate with higher socio-economic inequality.

  Economic inequality has existed in a wide range of societies and historical periods; its nature, causes and importance are open to broad debate. A country's economic structure or system (for example, capitalism or socialism), ongoing or past wars, and differences in individuals' abilities to create wealth are all involved in the creation of economic inequality. Economic inequality can decline or increase over time. For example, inequality declined in the U.S. from 1890 to 1940 because the supply of skilled workers outpaced demand, as the high school movement generated skilled workers and border closure reduced the supply of low-skilled immigrants. Inequality increased in the U.S. from 1970 to 2000 with skill-based technical change. Other factors that increased inequality after 1970 were: the decline of unions in the U.S. with the Taft-Hartley law; the rapid increase in salaries for the top 0.1%; the increase in business income with technological innovation; the stasis in high school completion rates at about 70%; and successful changes in Republican political strategies to focus on cultural issues in elections and tax reduction in office, largely beginning with Ronald Reagan.

9.6.2 Ways of Promoting Equality with Equity and Social Justice

The 1995 World Social Summit stressed that a people-centered approach to development must be based on the principles of equity and equality, so that all individuals have access to resources and opportunities. In the Copenhagen Declaration and Programme of Action social justice, equity and equality reflected

the concept of a just society ensuring the equitable distribution of income and greater access to resources through equity and equality of opportunity for all. Public policies have to correct market failures and promote equity and social justice (http://social.un. org/index/Poverty/PovertyandInequality.aspx). The World Social Summit has also identified several ways in which the Governments can promote equality and social justice. These include the following.

- Ensuring people are equal before law.
- Carrying out policies with a view of equalization of opportunities.
- Expanding and improving access to basic services.
- Providing equal opportunities in public-sector employment.
- Encouraging information of cooperatives and community-based institutions.
- Minimize negative effects of structural adjustment programmes.
- Promoting full access to preventive and curative health care.
- Expanding basic education, improving its quality, enhancing access to formal and non-formal learning, and ensuring equal access to education of girls.

The 24th Special session of the UN General Assembly held at Geneva from 26th June to 1st July 2000 reiterated that social development requires reduction in inequality of wealth and a more equitable distribution of the benefits of economic growth within and among nations.

Globalization occurs in the absence of a social agenda aimed at mitigating the negative impacts of globalization on vulnerable groups of society. Over the past decades, inequalities in income distribution and access to productive resources, basic social services, opportunities, markets and information have been on the rise worldwide, often causing and exacerbating poverty.

A social perspective on development emphasizes the view that inequality impairs growth and development, including poverty eradication efforts and that equality itself is instrumental for economic growth and development. It aims at providing a better understanding of the effects of economics and social policies on equity in societies and promotes ways of advancing policies contributing to the reduction of inequalities. Policies for both inequality and poverty reduction are mutually reinforcing.

The linkages between poverty and inequality are highlighted in the Report on the World Social Situation 2005: The Inequality Predicament. The report states that the goal of sustained poverty reduction cannot be achieved unless equality of opportunity and access to basic services is ensured and stresses that the goal of reducing inequality must be explicitly incorporated in policies and programmes aimed at poverty reduction.

All the inequalities are required to be reduced to the minimum for peaceful and harmonious living and development of diverse societies across the globe in general and within each country in particular.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

11) What do you understand by 'social inequality'?

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12) How can equality and social justice be promoted?

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9.7 LET US SUM UP

In this Unit, we have presented you an overview of basic issues affecting development. Since the population per se, whether big or small, is the fundamental issue, its development encompass many related issues including the forecast of scarcity and other consequences vis-a-vis overpopulation. Hence, we have touched upon population issues and problems at global and national levels. We have highlighted poverty differentials at international and national levels and the cause and effect relationship between poverty and many issues of development such as illiteracy and other socio-economic inequalities. Further, different types of infrastructure essential for development have also been covered. It is essential that different types of inequalities are addressed effectively on equity considerations in promoting the development of the society, the nation and the world.

9.8 ANSWERS TO 'CHECK YOUR PROGRESS' QUESTIONS

1) The following table presents data on population density and population size by continents along with the most populous country and the city in each continent in 2011.

Continent Name	Density (inhab./km²)	Population (2011)	Most populous country	Most populous city
Asia	86.7	4,140,336,501	People's Republic of China (1,341,403,687)	Tokyo (37,730,064)
Africa	32.7	994,527,534	Nigeria (152,217,341)	Cairo (19,439,541)
Europe	70.0	738,523,843	Russia (142,905,200)	Moscow (14,837,510)
North America	22.9	528,720,588	United States of America (308,745,538)	Mexico City (21,163,226)
South America	21.4	385,742,554	Brazil (190,732,694)	São Paulo (19,672,582)
Oceania	4.25	36,102,071	Australia (22,612,355)	Sydney (4,575,532)
Antarctica	0.00	3,687 (non-permanent)	Antarctica (3,687, nonpermanent)	No cities

2) The growth in population of the different regions from 2000 to 2005 was different. The population that was added during this period in different regions is as follows:

- 237.771 million in Asia,
- 92.293 million in Africa,
- 38.052 million in Latin America,
- 16.241 million in Northern America,
- 3.264 million in Europe, and
- 1.955 million in Oceania.

3) Over-population is defined as the condition of having more people than those that can live on earth in comfort, happiness and health and still leave the world a fit place for future generations. Demographers now believe that the greatest threat to the future comes from overpopulation.

Causes of overpopulation: Until recently, the difference between the birth rates and death rates was not so large and the population growth was not

alarming, as the population was nearly stable; people had many children, but a large number of them died before age five. During the Industrial Revolution, a period of history in Europe and North America, there were great advances in science and technology and the success in reducing death rates was attributable to several factors: i) increases in food production and distribution, ii) improvement in public health (water and sanitation), and iii) medical technology (vaccines and antibiotics), along with gains in education and standards of living. Similar effects followed in many developing nations as well. The spread of the benefits of these advances in science and technology to the developing countries has also contributed to significant reduction in death rates and thus rapid growth in population which is heading towards a situation of overpopulation.

4) The pressure of increasing population has adversely affected the ecological balance. Some of the adverse effects reported in India include:

   - Pressure on the forests due to both the rate of resource use and the nature of use. The per capita forest biomass in the country is only about 6 tons as against the global average of 82 tons;
   - Conversion of habitat to some other land use such as agriculture, urban development, and/or forestry operation. Some 70-80% of fresh water marshes and lakes in the Gangetic flood plains has been lost in the last 50 years;
   - Tropical deforestation and destruction of mangroves for commercial needs and fuel wood. The country's mangrove areas have reduced from 700,000 ha to 453,000 ha in the last 50 years;
   - Degradation of coastal and other aquatic ecosystems from domestic sewage, pesticides, fertilizers and industrial effluents;
   - Disturbance from increased recreational activity and tourism causing pollution of natural ecosystems with wastes left behind by people.

5) Sex Ratio is a term used to define number of females per 1000 males. It reflects the (in)equality of males and females in a society at a given period of time. According to Census of India 2001, Indian sex ratio has shown improvement in the last decade. It has gone up from 927 in 1991 to 933 in 2001, to 940 in 2011 census.

6) In India, the causes of rural poverty are manifold including inadequate and ineffective implementation of anti-poverty programmes. Rural populations primarily depend on agriculture, which is highly dependant on rain patterns and the monsoon season. Inadequate rain and improper irrigation facilities can obviously cause low, or in some cases, zero production of crops. The overdependence on monsoon with non-availability of irrigational facilities often result in crop-failure and low agricultural productivity forcing farmers into the debt-traps. Further, the rural communities tend to spend large percentage of annual earnings on social ceremonies like marriage, feast, etc. India's economic development since independence has been lopsided. There has been increase in unemployment creating poverty like situations for many. Population is growing at an alarming rate. Additionally, the Indian family unit is often large, which can amplify the effects of poverty. The size of the

Indian family is relatively bigger averaging at 4.2. The other causes include dominance of caste system which forces the individual to stick to the traditional and hereditary occupations. Also, the caste system still prevails in India, and this is a major reason for rural poverty — people from the lower casts are often deprived of the most basic facilities and opportunities. The government has planned and implemented poverty eradication programs, which have also failed to achieve set targets.

7) The standards for what constitutes literacy are generally different from society to society or from country to country. Today, illiteracy is usually taken to mean 'being unable to read and write at a level adequate for written communication or at a level that will allow an individual to function at certain levels of society'. For example, some cultures believe that only people with skills such as computers-related skills (computer literacy) and basic numeracy may be considered literate. This takes into account the fact that there are people who can add and subtract but can't read letters, as well as people who can learn to use a computer to a limited extent but may still not be able to read text. One example is Scotland, which defines literacy as: "The ability to read and write and use numeracy, to handle information, to express ideas and opinions, to make decisions and solve problems, as family members, workers, citizens and lifelong learners" (http://www.streetdirectory.Com/travel_guide/14494/ education/the_problem_of_illiteracy.html). Whereas, in India, for the purpose of census, a person aged seven and above, who can both read and write with understanding in any language, is treated as literate.

8) Poverty breads illiteracy and illiteracy breads poverty. Poverty is, of course, the major cause of illiteracy among large sections of population. The effects of illiteracy are not limited to only childhood days in early grade school but also through adulthood and rest of life. It limits a person's ability to function in day-to-day life – at home, in society, at work place, etc. In some cases, it can even be hazardous to a person's health. It hampers the general progress and development of not only the individual but also the society and the nation as whole. In general, the people with illiteracy range from extremely dysfunctional level to a limited functional level.

9) Infrastructure is the basic physical and organizational structures needed for the operation of society or enterprise, or the services and facilities necessary for the economy to function. The term 'infrastructure' typically refers to the technical structures that support a society such as roads, water supply, sewers, electrical grids, telecommunications, etc. and can be defined as "the physical components of interrelated systems providing commodities and services essential to enable, sustain or enhance societal living conditions"

   Infrastructure is of different types. However, it can be classified into two broad categories.

   - *Hard infrastructure:* This category refers to the large physical networks necessary for the functioning of a modern industrial nation.
   - *Soft infrastructure:* It refers to all the institutions which are required to maintain the economic, health, cultural and social standards of a country such as the financial system, the education system, the health care system, the system of government and law enforcement as well as emergency services, among other things.

10) Water management infrastructure includes the following.

- *Drinking water supply network* including the system of pipes, storage reservoirs, pumps, valves, filtration and treatment equipment, and meters plus buildings and other relevant structures to house the equipment used for the collection, treatment and distribution of drinking water.
- *Sewage* collection and disposal of waste water.
- *Drainage systems* (Storm sewers, ditches, etc).
- *Major irrigation system* (reservoirs, irrigation canals).
- *Major flood control system* (dikes, levees, major pumping stations and floodgates).
- *Large-scale snow removal system* including fleets of salt spreaders, snow-plows, snow-blowers, dedicated dump-trucks, sidewalk plows, the dispatching and routing systems for these fleets, as well as fixed assets such as snow-dumps, snow-chutes, snow-melters, etc.
- *Coastal management structures* such as seawalls, breakwaters, groynes, floodgates as well as the use of soft engineering techniques such as beach nourishment, sand dune stabilization and the protection of mangrove forests and coastal wetlands.

11) *Social inequality* refers to a situation in which individual groups in a society do not have equal social status. Areas of potential social inequality include voting rights, freedom of speech and assembly, property rights, access to education, health care, quality housing and other social goods. Social inequality can also be seen in the quality of family and neighbourhood life, occupation, job-satisfaction, and access to credit. When these economic divisions harden, they lead to severe social inequalities and thereby disadvantages. In a just society, everyone should be able to access certain minimum levels of social welfare and recognition regardless of their individual positions, achievements and monetary resources.

12) The World Social Summit identified several ways in which the Governments can promote equality and social justice. These include the following.

- Ensuring people are equal before law.
- Carrying out policies with a view of equalization of opportunities.
- Expanding and improving access to basic services.
- Providing equal opportunities in public-sector employment.
- Encouraging information of cooperatives and community-based institutions.
- Minimize negative effects of structural adjustment programmes.
- Promoting full access to preventive and curative health care.
- Expanding basic education, improving its quality, enhancing access to formal and non-formal learning, and ensuring equal access to education of girls.

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UNIT 10 SECTORAL ISSUES IN DEVELOPMENT

Structure

10.0 Introduction

10.1 Objectives

10.2 Sectors in Development: A Brief Overview

10.3 Agricultural Issues in Development

- 10.3.1 Agricultural Development and Economic Development
- 10.3.2 Agricultural Development in India
  - 10.3.2.1 Aspects and Issues
  - 10.3.2.2 Reforms and New Initiatives
  - 10.3.2.3 Problems of Indian Agricultural Development

10.4 Industrial Issues in Development

- 10.4.1 Role of Industry in Development
  - 10.4.1.1 Pattern of Industries
- 10.4.2 Industrial Policy and Development in India
  - 10.4.2.1 Industrial Development in India
  - 10.4.2.2 Causes of Slow Industrial Growth in India

10.5 Energy Issues in Development

- 10.5.1 Sources of Energy
- 10.5.2 Energy Position in India
- 10.5.3 Problems Related to Energy

10.6 Transport and Communication Issues in Development

- 10.6.1 Growth of Transport System in India
  - 10.6.1.1 Railway Transport System
  - 10.6.1.2 Road Transport System
  - 10.6.1.3 Water Transport System
  - 10.6.1.4 Air Transport (Civil Aviation)
- 10.6.2 Communications
  - 10.6.2.1 Postal communication
  - 10.6.2.2 Telecommunications

10.7 Issues of Information and Communication Technology in Development

- 10.7.1 Place of Information and Communication Technology in Development
- 10.7.2 Information and Communication Technology in India
  - 10.7.2.1 Growth of Revenue from IT

10.8 Issues of Unorganized Sector in Development

- 10.8.1 Meaning of Unorganized Sector
- 10.8.2 Extent of Contribution of Unorganized Sector
- 10.8.3 Unorganized Sector in India: Some Issues

10.9 Let Us Sum Up

10.10 Answers to 'Check Your Progress' Questions

10.11 References

10.0 INTRODUCTION

In Unit-9, you have studied the basic issues of development with special reference to population, poverty, illiteracy, infrastructure, unemployment and inequalities amongst others. In this unit, we shall discuss the issues of development with reference to different sectors. The sectors are nothing but different fields of economic activity which result in variety of distinguishable goods and services. Each sector or field of activity brings forth a particular type of or similar types of commodities. Agriculture, for example, involves activities related to land and water, and these activities provide us similar commodities like paddy, wheat, maize, etc which are called cereals. Another sector such as industry and services provide altogether different types of goods and services. Whenever new commodities or services are invented or developed or new production processes are invented new sectors are added to the list of divisions into which the economy is divided. Information technology is one such sector unknown earlier. Each sector plays an important role in providing employment and contributing towards national development. But, the relative roles played by different sectors depend upon the level of economic development. Further, economic development will be meaningful only when different sectors play their roles effectively by providing employment and income to the workers engaged in them and keep pace with the overall growth. Otherwise, issues like poverty, unemployment, inequality and others will crop up. That means, the basic issues of development are related to the specific issues of development in different sectors. Among different sectors of the economy, some assume more significance than the others. Such key sectors, as they are called, will have greater ramifications on other sectors, both economic and social. So, it is important to understand the structure of the economy, the roles played by different sectors and their growth along with the problems and issues in these sectors. This unit covers all these aspects of sectoral issues in development.

10.1 OBJECTIVES

After going through this Unit, we expect you to be able to:

- Describe the structure of an economy and its change in the course of development;
- Appreciate the importance of different sectors in an economy and their interdependence;
- Analyse the growth of each sector and the concomitant effects on other sectors of development;
- Identify the issues of different sectors of development with particular reference to India; and
- Explain the interrelationship of issues of development in one sector with those of other sectors.

10.2 SECTORS IN DEVELOPMENT: A BRIEF OVERVIEW

As we know the development process involves exploitation of available resources by which production of goods and services increases thereby generating income

meeting the needs and requirements of people. However, the production processes do not happen at one place and through one economic activity. In a country the income is generated through different economic activities like cultivating the land, rearing animals, growing variety of crops, plants and trees, fishing, mining, industry, trade, construction, banking, providing educational and health services and exporting of goods to other countries, and so on which take place in different sectors. A sector comprises related economic activities carried out at similar kind of places and using similar resources producing identical or related products. For example, agriculture as a sector consists of group of activities using land, water and other resources, raising different crops and producing different products, yet related to each other forming into similar groups like cereals, pulses, millets, vegetables, fruits, etc.

On the other hand, industry as a sector consists of a group of economic activities based on many resources like minerals, ores and other raw materials producing related goods like iron, steel, coal, and so on. Services sector includes activities based not on tangible goods, but on intangible aspects like knowledge, hospitality, and give and take. Thus, we distinguish three major sectors; *agriculture* together with such related industries as fisheries, forestry and tapping; *industry* itself, such as mining, manufacturing, construction, power and light utilities, transportation and communication; and *services* – trade, finance, real estate, personal, business, domestic, professional and government. The three major sectors do differ significantly from each other in the use of natural resources, in the scale of operation of the productive units common to each in the production process in which they engage, and in the trends in their shares in total output and resources used (Simon Kuznets, 1966, p.41).

Thus, in any economy, income is generated through three broad categories of economic activities or sectors, namely, *agriculture, industry* and *services*. These are also termed as primary, secondary and tertiary sectors. The primary sector includes agriculture and allied activities; the secondary sector consists of mining, manufacturing and electricity; and the tertiary sector comprises all service-rendering activities. All these economic activities contribute to the production of goods and services and thereby generation of income. These three sectors play important role in every economy depending upon the nature of economy and level of development. The population and workers are engaged in these three sectors depending upon their lineage, education, skills, opportunities and income. Sometimes, workers are engaged in more than one economic activity or in more than one sector. The proportion in which the natural resources are used for producing different categories of goods and services, and the way in which the workers are engaged in different economic activities is called the structure of the economy. The structure of economy, thus, refers to the proportions of workers engaged in and the income generated from different sectors or fields of activity or, to be specific, sectors of the economy. For example, we say an economy is agriculture-based or industrialised depending upon how much income is generated, and how much labour is engaged in agriculture vis-à-vis other sectors, industry and services. However, this structure is not static or constant; it changes with the development process occurring in a given country.

In the initial period or to begin with, every economy would be agricultural or primary economy, depending more upon the agricultural sector than other sectors. In the course of development the dependence on agriculture declines; more

workers will be engaged in industrial and service sectors and more income is generated from these sectors than from agriculture. This shift from agriculture to industry and service sectors may be true in absolute numbers and also in proportions. It means, as development occurs, the contribution of agriculture to national product diminishes and that of industry and services sector increases. Simultaneously, the workers also shift themselves from agricultural occupations to industrial and service occupations. At later stages, the shift from agriculture to industry continues, and a second shift from industry to service sector also sets in. Ultimately, in a mature economy, as in the USA, the service sector occupies first place followed by the industry and agricultural sectors. In some cases, the industrial sector itself will stand in the first place in the generation of income and employment.

Studying economic development in relation to economic structure of different countries Colin Clark (1951, pp.316-319) and Meir and Baldwin (1970) maintained that as a country develops the proportion of the working population engaged in primary production (agriculture, forestry and fishing) declines, the proportion of tertiary production (commerce, transport, services) increases and the proportion engaged in secondary production (manufacturing / mining and buildings) rises to a maximum, and then begins to fall thereby indicating that each nation reaches a stage of maximum industrialization beyond which industry begins to decline relatively to tertiary production.

The sectoral shifts occur in terms of generation of income and employment. But, these shifts should occur coherently and in similar proportions. Otherwise, the economy will be subjected to imbalances leading to economic and social problems like unemployment and underemployment, poverty, social insecurity, economic and social exploitation and social unrest. If, for example, as it is happening in India, the contribution of agriculture to the national product diminishes the proportion of workers engaged in agriculture diminishes at a lesser rate or remain stagnant, and greater number of workers have to share less income. The average income reaches lower levels pushing the workers into poverty. Further, the workers' shift from agriculture to other sectors should be corroborated by modernization in agriculture for machinery to off-take the jobs done earlier by the workers. Otherwise, agricultural sector faces shortage of labour. At the same time, the workers who shift themselves from agriculture to industry, or from industry to services should necessarily acquire educational and employment skills. In the absence of these, the workers-in-shifting will be unemployed or underemployed in other sectors. Or, when the workers shift across agriculture, industry and services sectors, the receiving sectors should grow at a sufficient rate so as to absorb the migrating workers in productive occupations. If these sectors fail to provide meaningful employment, the workers will be thrown either into poverty or into illegal occupations.

The economy also experiences a perplexing situation of overall surplus in labour and either surplus or shortages in constituent sectors of the economy, juxtaposed to a situation of overburdened labour, at least in peak seasons of the agricultural operations. In the absence of sufficient modernization, the agriculturists though with small and marginal holdings find it difficult to find labour for their farming activities during peak periods of sowing and harvesting.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

1) What do you understand by 'a sector of an economy'?

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2) Try to indentify the following economic activity with the corresponding sector.

i) Banking:

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ii) Coal:

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iii) Electricity:

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iv) Poultry:

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10.3 AGRICULTURAL ISSUES IN DEVELOPMENT

The word 'agriculture' refers to the 'science or art of cultivating land in raising crops, husbandry; farming' (Random House Dictionary, 1982). According to Oxford Dictionary (2001) 'agriculture' refers to 'cultivation of soil and rearing of animals'. In fact, the boarder meaning, of the term 'agriculture' includes poultry, fishery, and other related activities which are based on land. Thus, agriculture, as a sector, refers to and encompasses all activities related to raising crops, animal husbandry and farming activities based on the utilization of land, water and other natural resources. In the terminology of economics the term 'agriculture' is sometimes referred to by its alternative name 'primary sector'. But, the word

'primary sector' is a broader term than 'agriculture' and includes not only agriculture and the related activities, but also, all other agriculture-allied activities, apart from forestry, fishing, aquaculture, pisciculture, etc.

Now, let us look at agriculture as a sector in economic development with focus on the issues relevant to this sector.

10.3.1 Agricultural Development and Economic Development

Agricultural development is a precursor for development of an economy. Agriculture plays a vital role in development of the economy as the supplier of foodstuff and other goods to satisfy basic human wants, provider of occupation and living for the majority of population at least in the beginning period of development and supplier of raw material and other ingredients to industry and trade. The productivity gains in agriculture would certainly have a positive impact on the overall development of the economy. Hence, the classical economists believed that agricultural progress contributes to greater productivity in the economy and ensures faster economic development. Meier (1995, pp.291-292) has identified the following four different ways of how agriculture can contribute to economic development.

i) By supplying foodstuffs and raw materials to other expanding sectors in the economy.

ii) By providing an "investible surplus" of savings and taxes to support investment in other expanding sectors.

iii) By selling a 'marketable surplus' for cash which will raise the demand of the rural population for products of other expanding sectors; and

iv) By earning foreign exchange through exports or by saving foreign exchange through import substitution or relaxation in the foreign exchange constraints.

According to traditional theories of development, an economy should experience / achieve productivity gain in agriculture so as to take off for development. The much called for productivity gains create surplus in agriculture to be invested in industry in addition to raising farmers' income and the demand for industrial products. It also frees some labour from agricultural sector to be employed in industrial and other activities. Thus, in addition to providing food security to the entire population, agricultural development promotes overall economic development.

However, in recent years, declining trends in the share of agriculture in GDP, in fast growing economies like Singapore (which has grown without agriculture development), and the globalization allowed the cross-border transportation of agricultural products. This gave birth to a new paradigm of development which sees agriculture not so much as a key sector of development. It considers that agricultural development is necessary but not a sufficient condition for development. Yet, the lessons that failure in agriculture development leading to overall economic retrogression show us that agriculture still has a critical role to play in the economic development from the point of view of income and employment generation, food security, reduction in poverty and unemployment. The World Development Report (2008), on 'Agriculture for Development' highlights that in much of the Sub-Saharan Africa agriculture is a strong option for spurring growth, overcoming poverty and enhancing food security. In Asia,

the focus of agriculture will be to generate rural jobs by diversifying into labour-intensive, high value agriculture linked to a dynamic rural non-farm sector. The report considers that in the 21st Century too, agriculture continues to be fundamental instrument for sustainable development and poverty reduction.

The agriculture contributes to economic development in the following ways:

i) ***Important economic activity:*** Agriculture is an important economic activity for majority of the population particularly in developing countries like India. It provides employment and income to many workers and families. According to World Development Report (2008), in agriculture-based countries, the sector generates about 29 percent of gross domestic product (GDP) and provides employment for 65 percent of the labour force. Still in many developing countries agriculture is the main source of livelihood.

ii) ***Raw material supply to industries:*** Agriculture supplies raw materials to many industries specially the agro-based industries such as textiles, sugar, paper, etc. There are several other industries like handloom, weaving and other cottage industries which also depend upon inputs from agriculture. The prosperity of these agro-based industries depends upon the availability of inputs from agriculture.

iii) ***Provide market for industrial products:*** The agricultural sector provides market for the products from industrial sector, as the farmers have to buy many non-farm products. Thus, the speed of industrial development depends upon how rapidly the agricultural income is raising.

iv) ***Supplies food and fodder:*** Agriculture supplies foodstuff for the people of the country working in other sectors also. It also provides fodder to sustain livestock comprising of cattle, buffaloes, sheep and poultry.

v) ***Saving of capital:*** Agriculture has low capital output ratio. In other words, it requires lesser capital per unit of output and, thus, most suited for capital of the poor in countries like India. Agriculture also contributes to the capital formation as the surplus generated is invested in other sectors.

vi) ***Contribution to Government Revenue:*** The agriculture contributes revenue to the Government through direct and indirect taxes, transport, communication services, trade, etc. The direct contribution of agricultural taxes to the Government revenue is not significant, but indirectly agriculture has a considerable influence on revenues of the Central and State Governments.

vii) ***Share in foreign trade:*** The country's foreign trade, especially in the export of traditional commodities like jute, tea, tobacco, coffee and handicrafts depends to a great deal on the supplies of the agricultural sector.

viii) ***Reduction of poverty and unemployment:*** Agriculture is playing an important role in reducing poverty both in developed and developing economies. In China and India agricultural development proved to be many times more effective in tackling the problem of unemployment and poverty. According to the World Development Report (2008) in countries like Ghana, rural households account for a large share of a steep decline in poverty particularly induced by growth of agriculture.

ix) ***Empowerment of women:*** In most of the agriculture-based countries like India, majority of the women workers are engaged in agriculture and household sector. Agricultural development will contribute to the raise in the income and standard of living of the women workforce particularly in rural areas. In addition, large sections of population belonging to backward classes who are also engaged in agriculture and related occupations too get benefited by the agricultural development.

x) ***Environmental services:*** Agriculture is a good source of environmental promotion as it is directly related to land, water and other material resources. The judicious use of water, water harvesting, preservation of bio-diversity, afforestation, etc. would lead to environmental promotion.

These aspects of agricultural contribution to development presents a panoramic picture of the issues that need to be taken care of in promoting the economic development.

10.3.2 Agricultural Development in India

Agriculture in India has a long history, dating back to ten thousand years or more. Today, India ranks second in the world in farm output. India is the largest producer in the world of fresh fruits, jute, spices, millets, milk and meat. It also has the world's largest cattle population. It is the second largest producer of cashews, cotton seed, fresh vegetables, silk, wheat, rice, sugarcane, groundnut, tea, potatoes, etc. It is the third largest producer of tobacco, eggs, tomatoes, etc. India accounts for 10 percent of world fruit production with first rank in the production of mangoes, papaya, banana and sapota. Within the country, agriculture and allied sectors like forestry, and logging accounted for 16.0% of GDP in 2007, employed 52% of total work force, and despite a steady decline in its share in the GDP is still the largest economic sector which plays a significant role in the overall economic development of India.

10.3.2.1 Aspects and Issues

The agriculture in India made progress in many of its aspects. The broad aspects and issues of agricultural development are discussed below.

i) ***Increase in production and productivity:*** Over the past six decades, agricultural productivity has increased by more than thrice. The food grains production increased from 51 million tonnes in 1950-51 to about 230 mn tonnes in 2008-09. The production of pulses increased from 8.4 mn tonnes to 14.2 mn tonnes, sugarcane from 64 mn tones to 348 mn tonnes, oilseeds from 51 mn tonnes to 139 mn tonnes, cotton fruit from 2.1 mn bales to 23 mn bales, and jute and Mesta from 3.5 mn bales to 10.3 mn bales over the period from 1950-51 to 2008-09. The long-term annual growth of food grains output has been around 2.40 percent and the per capita availability of food grains has improved from about 395 gm in 1951 to 443 gm in 2007. Agricultural productivity, measured in terms of yield per hectare of land, has increased at a rate of around 206 percent per annum during 1967-2007. The per hectare yield of rice increased from 10.8 quintals to 21.9 quintals between 1965 and 2009, of wheat from 9.1 quintals to 28.9 quintals, of sugarcane from 47 tonnes to 62 tonnes, of cotton from 122 kgs to 479 kgs. (Govt of India, 2008).

The significant breakthrough in production and productivity was possible due to the adoption of new agricultural strategy (green revolution), since 1966-67. This strategy stressed upon the use of the high-yielding varieties of seeds, extensive use of chemical fertilizers, pesticides and insecticides, and proper irrigation facilities. The scheme had shown the positive impact on production and productivity of food grains, especially wheat, and to some extent rice, bajra, jowar and maize.

ii) ***Diversified agriculture:*** Indian agriculture has become diversified in many ways. The share of non-crop sectors (fishery, forestry and animal husbandry) in total agricultural output increased. Secondly, the area under commercial crops like sugar, cotton, oilseeds also increased. Thirdly, within food grains, area under superior cereals like rice and wheat increased while land under inferior cereals decreased.

iii) ***Modernization of agriculture:*** Apart from increase in productivity and diversification, some qualitative changes also took place in Indian agriculture. Some of them are increase in use of chemical fertilizers, high-yielding varieties of seeds, intensive cultivation, multiple cropping, scientific water management by farmers, acceptance and adoption of new and scientific techniques of production and mechanization of agricultural operations. Further, a number of institutes have been set up for agricultural finance, marketing, storage, purchasing, distributing agricultural inputs, etc.

iv) ***Improved agricultural system:*** The land tenure system — the relationship between land and the tiller, owner and the tiller and landholdings — has changed due to the implementation of land reforms which aimed at stopping of exploitation of the actual tillers of the soil and to pass on the ownership of land to them. The intermediaries were abolished and about two crore tenants were brought into direct contact with the state. Under tenancy reforms security of tenancy was provided apart from regulation of tenancy. Many states have also conferred ownership rights on the tenants. The ceiling on land holding was imposed; surplus land was collected and distributed to about 5 million beneficiaries. Further, In order to solve the problem of fragmentation of holdings, the land was reorganized. Cooperative farming was also started.

v) ***Public initiatives:*** The Government has initiated many developmental programmes and implemented many schemes for the benefit of farmers. The farmers were given material inputs at subsidized rates, credit at low rates of interest, and their surplus produce was procured by the Government. Special programmes like Integrated Rural Development Programme (IRDP), National Food Security Mission (NFSM), Rashtriya Krishi Vikas Yojana (RKVY) were launched to provide employment to the farmers, to achieve self-sufficiency in different food crops and for integrated development of food crops. Special schemes were started to improve the production of rubber, coffee, poultry, etc.

The progress of agriculture in India can be attributed to two main strategies that helped augment agricultural production and improve land tenure system in India. They are: land reforms and green revolution. In fact, agricultural development was divided into two phases, i.e. 1950-51 to 1966-67 which is referred to as Land Reforms phase and 1966-67 to 1983-84 referred to as Green Revolution period. In addition to these, the Government initiatives like nationalization of

banks and establishment of rural banks enhanced the farmer's access to one essential input i.e. agricultural credit. Programmes like IRDP also helped agricultural sector in getting fillip for faster growth.

10.3.2.2 Reforms and New Initiatives

While a major attempt to reform agriculture was done through land reforms, a major revolution in Indian agriculture was green revolution. We discuss these in brief below.

Land reforms: According to UNO, land reforms mean the improvement of agricultural economic institutions. It includes reforms or improvements in the land tenure system as well as reforms in other institutions which are related to land and its utilization. As per Gunnar Myrdal, land reform is a planned and institutional reorganization of the relationship between man and land.

Land reforms in India have been undertaken on the following lines: i) Abolition of Intermediaries; ii) Tenancy Reforms; iii) Ceiling on Land holdings; iv) Consolidation of Holdings; and v) Cooperative Farming.

Abolition of intermediaries: The term 'intermediaries' refers to persons who intervene between the actual cultivators and the state in India. These intermediaries were known by different names like Zamindars, Jageerdars, Inamdars who were entitled to collect rent from the cultivators under their hold, part of which was handed over to the Government as land revenue, and no more obligations. These landlords also started exploiting the cultivators. That is why, legislations were passed in all states to abolish Zamindari system.

Tenancy reforms: Under *tenancy reforms* three measures were undertaken – regulation of rent, security of tenure and the conferment of ownership rights to tenants. Legislations were passed fixing rents between 25-50 percent in place of earlier rates which ranged between 50-75 per cent. Security of tenure has also been provided by the states by passing legislations which disallowed ejection of the tenants except in accordance with the provisions of law. Many states have also conferred ownership rights to the tenants.

Ceiling in land holdings: Ceiling in land holdings refers to the fixation of maximum size of land holding that an individual cultivator or a household may possess. Accordingly, a family could hold 18 acres of wet land and 54 acres of dry land, the rest declared as surplus to be distributed among the landless. About 4.04 mn acres of land had been declared surplus, 2.10 mn acres taken over by the Government and 1.29 mn acres distributed among the beneficiaries (Government of India, 2009).

Consolidation of land holdings: It was taken up to solve the problem of fragmentation of holdings. Accordingly, it was decided to consolidate holdings by giving to a farmer one consolidated holding equal to the total of the land in different scattered plots under his possession.

Cooperative farming: It was also started to bring together small holdings into an economic holdings for the purpose of cultivation and for distribution of the proceeds proportionately.

Land reforms have been successful only partially. All the states could pass legislation and abolish intermediaries that too by paying huge compensation.

Tenancy reforms were meaningful and successful more on the paper. Land ceilings was also a partial success because of the fact that the declared surplus was less than the estimated surplus, and the Government could take over only partially and also that the distributed land was less than the taken-over land. The consolidation of holdings and cooperative farming were a total failure.

Green Revolution: It refers to drastic changes brought about with a view to increase agricultural production and turn subsistence agriculture into industry. The changes include the use of fertilizers, high-yielding varieties, modern methods of production and also change in the outlook of farmers. Ultimately, green revolutions refer to introduction of modern strategies of production and thereby bring out drastic improvements in the agricultural production.

In India, Green Revolution refers to significant breakthrough in the production of agricultural products, particularly the food grains, which was made possible due to the adoption of new agricultural strategy since 1966. This strategy stressed upon the use of high-yielding varieties of seeds, extensive use of fertilizers, proper irrigation facilities, pesticides and insecticides. Since the adoption of this strategy, the production and productivity increased sharply especially those of food grains, and wheat in particular. The food grains production increased from 81 mn tones in 1968 to 280 mn tonnes in 2008. Similarly, the production of pulses, sugarcane, oilseeds, cotton and jute also increased significantly. However, the effects of green revolution was restricted to five crops — wheat, rice, bajra, jowar, and maize with wheat making wide strides of increase in production by more than six times. In addition to intensive cultivation and adoption of high-yielding varieties programme, the mechanization of agriculture also contributed to increase in production and productivity.

Other initiatives of Government: Apart from implementing land reforms and new agricultural strategy, nationalization of banks, establishment of Regional Rural Banks (RRBs) also helped farmers to get cheap and timely credit for agricultural operations. Further, the rural development programme like IRDP also promoted agricultural development through increase in productivity.

10.3.2.3 Problems of Indian Agricultural Development

The agricultural sector in India faces the following problems:

i) ***Low agricultural productivity:*** The agricultural productivity is measured in terms of output per hectare of land. Though the productivity increased since 1966-67, it is one of the lowest in the world in many crops.

Table 10.1: Yield per hectare in comparison with Potential Yield and World's Highest Yield – 2006 (quintals per hectare)

Crop	Potential Yield (in India)	Actual Yield (in India)	World's Highest Yield	Country
Rice	40 to 58	31.2	106.0	Egypt
Wheat	60 to 68	26.2	80.3	China
Maize	60 to 68	19.4	93.7	USA
Sugarcane	-	68.0	98.9	Egypt
Groundnut	20 to 30	8.0	31.2	China

Source: *Agricultural Statistics at a Glance,* 2008. Govt. of India, New Delhi.

Table 10.1 clearly shows that the average actual yield per hectare in India is low compared to the world's highest yield in all the crops, both food and non-food crops. The actual yield is also lower than the potential yield in our country. That means India is unable to achieve the potential yield also.

The low productivity has thrown the agricultural sector into a paradoxical situation that though more than seventy percent of workers are engaged in agriculture, India is unable to produce food grains including pulses sufficiently for our total consumption requirements and is compelled to import them. Secondly, as the productivity is low, sectoral contribution in GDP declined more than the decline in the percentage of workforce. That means more number of workers have to depend upon less proportion of income. This has marginalized most of the agricultural workers and famers and subjected them into poverty and unemployment.

Causes of low productivity in India: According to the World Bank, India branch, "Priorities for Agriculture and Rural Development" India's large agricultural subsidies are hampering productivity enhancing investment. Overregulation of agriculture has increased costs, price risks and uncertainty. The World Bank also says that the allocation of water is inefficient, unsustainable and inequitable. The irrigation infrastructure is deteriorating. Other reasons are:

- Illiteracy, general socio-economic backwardness, slow progress in implementing land reforms and inadequate or inefficient finance and marketing services for farm produce.
- Inconsistent government policy. Agricultural subsidies and taxes often changed without notice for short-term political ends.
- Small holdings, which are more in number, are overmanned, resulting in disguised unemployment or low productivity of labour.
- Adoption of modern agricultural practices and use of technology is inadequate hampered by ignorance of such technology high costs and impracticability in the case of small holdings.
- Inadequate irrigation facilities. Only 52.6 per cent of the land was irrigated in 2003-04 leaving the farmers depend on rainfall, specifically the monsoon season which is again erratic making agriculture acquire the famous epithet that Indian agriculture is a gamble with the monsoon.

ii) ***Slow and uneven growth*:** Though Indian agriculture has progressed well the growth of agricultural sector is not sufficient to meet the rising demand of fast growing population. While the population is growing at a rate of around 2 percent, the food grains production has increased at an annual growth rate of 2.42%. This rate is just sufficient to maintain the existing consumption standards of people. Secondly, certain crops like wheat are growing at a higher rate than other crops like maize, jowar. Thirdly, there are regional imbalances in the spread of growth; the growth has remained confined to certain areas like Punjab, Haryana, Western Uttar Pradesh, Tamil Nadu and part of Andhra Pradesh.

iii) ***Lack of mechanization and modernization:*** Though green revolution went ahead with mechanization and modernization, the process is rather slow and insufficient. Traditional methods are still in use. In many areas and number of crops old methods of ploughing, sowing, harvesting, etc. are still used. As a result, productivity in such areas and crops is very low. About sixty percent of net sown area is rain-fed and there are no appropriate dry-faming techniques.

iv) ***Ineffective land reforms:*** The implementation of land reforms was ineffective and full of flaws. The legislation measures have not been completed in the states. There are snags in legislation like inadequate definitions of 'personal cultivation' and 'tenant'. Due to this, substantial area had to be given to Zamindars for their personal cultivation, and they indulged in large-scale transfer of land to their family members in order to escape from the effect of land ceiling laws.

v) ***Problems related to agricultural credit:*** Since agriculture is an unorganized sector, dependent mainly on rains, banks and other financial institutions are reluctant to provide finance to this sector. Most of the efforts of the banks are just to meet the target of loans of priority instead of showing concern to provide loans to the needy farmers. Thus, the major beneficiaries of the agricultural credit have been the large and medium farmers. There has been regional concentration also. Agricultural loans are concentrated in certain regions and states; nearly half of the agricultural credit from banks is concentrated in southern states.

vi) ***Problems related to storage and marketing:*** Majority of the farmers do not have storage facilities. Even the facilities with some individual farmers are very primitive type so much so that 10-15% of the agricultural produce is spoiled. The storage facilities provided by Food Corporation of India (FCI) are not adequate. The farmers do not get fair prices for their produce because of many reasons. Due to absence of any organizations of farmers, they cannot dictate price. Secondly, because of indebtedness, farmers are faced to sell their produce at low prices after the harvest without waiting for fair price. Thirdly, several farmers are subsistence farmers and their marketable surplus is very low. The farmers are not well informed about market and thus including prices. Lack of good transportation and high transport cost also compel the farmers to sell their produce in the nearest market at low prices.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

3) Describe the following:

i) Land Reforms.

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ii) Green Revolution.

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iii) Cooperative Farming.

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10.4 INDUSTRIAL ISSUES IN DEVELOPMENT

In its narrow sense, the term 'industry' refers to any branch of productive, especially manufacturing, enterprise (Webster's Dictionary, 2004,). In its broad sense, it refers to manufacturing productive enterprises collectively, especially, as distinguished from agriculture (ibid). The demarcation of industrial sector or secondary sector from the other two sectors (agriculture and services) has been a challenging matter. For one, certain activities exhibit more than one feature. Mining, for example, involves extraction of natural resources and in a sense is more primary than agriculture. The method of extraction is more akin to industrial production. At the other end are cases like the railways, whose end product (transport) is intangible and can be considered in service sector. But, the productive activities are closer to manufacturing. Likewise, construction activity may result in something in physical form of building, but apart from it the end product is service rather than a good.

There has been a lack of uniformity in defining industrial sector and about the sub-sectors to be included in it. Thus, Simon Kuznets (1955, pp.6-9) included transport and communication in Industry, while Colin Clark (1940, pp.486-489) put even construction in services. The general practice has been to include the following in the industrial sector.

- ***Mining and Quarrying:*** Include extraction of natural resources like metals, coal, oil and stone quarrying.
- ***Manufacturing:*** Include activities involving the mechanical or chemical transformation of organic or inorganic substances into products or the assembly of manufactured components into products.
- ***Electricity, Gas, Water Supply:*** Include activities relating to generation, transmission, and distribution of electricity; manufacture and distribution of water, and production and distribution of gas.
- ***Construction:*** Include activities relating to construction of buildings and civil engineering works like roads, buildings, ports, airports, shipyards.

The National Accounts Statistics (NAS) of Central Statistical Organization include all the four segments — mining, quarrying, manufacturing, electricity and construction. But, the Index of industrial production covers only three sectors – mining, manufacturing and electricity. The construction activity is excluded primarily due to constraints in data availability.

10.4.1 Role of Industry in Development

In India, industrial sector plays an important role in development and it can be explained in the following ways:

- ***Share in the GDP:*** The contribution of the industrial sector towards Gross Domestic Product (GDP) is significant in an economy, more so in industrialised economy. In fact, the essential feature of development is increasing the contribution of industrial sector towards GDP. In India also, the value added by the industrial sector in the GDP has been increasing. The share of industry in the GDP has increased from 12 percent catch in 1950-51 to about 27 percent in 2008-09. The industrial sector occupies second position, next to service sector, in its contribution towards national income.

- ***Providing employment:*** Industrial sector has an important role in providing employment opportunities for the work force. Industry can provide direct employment and also can help create indirect employment in other industries or other sectors. India being a labour-surplus economy needs sectors which can absorb ever growing labour force. Industries can play an important role in this regard.

- ***Modernizing agriculture:*** Industrial sector can modernize agriculture and improve productivity. Industry provides modern tools and machinery for agriculture and inputs like fertilizers, pesticides and insecticides. The mechanization of agriculture depends upon the availability of machines and tools in abundance and at lower cost. Industry has a greater role in this regard.

- ***Raising income of the people:*** Industries help in raising income of the people. This is possible because industries are not dependent on nature totally and thus there is no limit to industrial growth. In fact, the benefits of large scale production can be reaped in this sector. Higher output results in higher income per head.

- ***Contribution to exports:*** Industry can contribute tremendously to the export earnings of the country. Many varieties of products can be manufactured in industry and exported to other countries. In India, manufactured goods alone contribute around two-thirds of the exports.

- ***Meeting high-income demand:*** Industrial sector supplies goods which can satisfy the consumer-demand when their incomes are high. At low levels of income, the consumers' demand is limited to food products, housing, clothing, etc. These demands are met by the agricultural sector. Beyond some limit, as income increases, the consumers tend to spend on motor vehicles, refrigerators, electronic goods like TVs, etc. These commodities have highly elastic positive relation with income. These goods are supplied by the industrial sector.

- ***Strengthening the economy:*** Industrial sector and its development help strengthen the economy in many ways. Industrial sector produces capital goods which in turn enable production of goods in large scale. The industry makes possible production of infrastructure goods like railways, dams, etc. The industry also provides machinery and tools, fertilizers, transport and storage facilities to agriculture. Industrialization helps a country to become self-sufficient in many critical goods like nuclear energy, defense goods, etc.

- ***Faster economic growth:*** Industrialization enhances the role of capital goods vis-à-vis consumer goods and, thus, strengthens the economy. Further, as industry generates more surplus, industrialization results in capital formation which forms a basis for further enhancement of growth process.

10.4.1.1 Pattern of Industries

All the industries in the country can be grouped into two major types: i) on the basis of size of industries, and ii) on the basis of end-use.

On the basis of size of industries, the industries can be divided into large industries, medium industries and small industries. *Large industries* include mining, manufacturing, electricity, gas which require huge capital expenditure. Large industries which largely form the basis of the country's index of industrial production include the following: a) mining and quarrying (often referred to as mining); b) manufacturing; and c) electricity, gas and water supply (often referred to as electricity). *Small industries* are those enterprises employing less than 50 persons with power or less than 100 persons without using power. The small scale industries are also defined in terms of capital investment as those with fixed capital investment of less than a limit (Rs.1 crore at present). Of course, it varies as may be fixed by the Government from time to time. The *medium industries* are those which have moderately high capital investment and employing more number of workers.

On the basis of end-use of output, industries are divided into the following.

a) *Basic good industries* (like minerals, fertilizers, cement, iron and steel, non-ferrous metals, electricity, gas, etc.).

b) *Capital goods industries* (like machinery, machine tools, road equipments etc.).

c) *Intermediate goods industries* (like chemicals, rubber, plastic, coal and petroleum).

d) *Consumer goods industries* – consumer durables and non-durables (like man-made fibre, beverages, watches, cosmetics, TVs, refrigerators).

In another classification all the industries are divided into two groups — the *Factory sector*, and the *non-factory sector*. The former covers the producing units which are registered under Factories Act, and includes the following: i) industries, mining and quarrying, ii) manufacturing and iii) electricity. The latter i.e. the non-factory sector includes units which are not registered under the Factories Act, and consists of household enterprises and small-scale non-household enterprises.

10.4.2 Industrial Policy and Development in India

Realizing the importance of industrial development in economic development, the Government of India adopted Industrial Policy immediately after Independence in order to give a proper direction to industrial development. Industrial Policy covers all the procedures, principles, rules and regulations which control the industrial undertakings of a country and shape the pattern of industrialization. It incorporates fiscal and monetary policies, the tariff policy, labour policy and governments attitude towards external assistance and to private and public sectors.

The Industrial Policy Resolution (IPR) of April, 1948 contemplated a mixed economy, reserving a sphere for the private sector and another for public sector. The main thrust of this policy was to lay foundation of a mixed economy in which both private and public enterprises would march hand in hand to accelerate the place of industrial development. After adoption of the IPR 1948, there were significant developments like planning, introduction of Five Year Plans and the acceptance of 'socialistic' pattern of society as the basic aim of social and economic policy. In view of these, the Government adopted IPR, 1956 replacing the Resolution of 1948. The IPR, 1956 followed a new classification of industries and gave importance to small scale industries and to foreign assistance. Again in December 1977, the Janata Government which replaced the Congress regime announced a new industrial policy by way of a statement in the Parliament. It was a mere extension of IPR, 1956 with some difference in emphasis and in details. The main thrust of this policy was to encourage small scale and cottage industries as against the large scale industries dominated by big industrial houses and multinationals. The Janata Government was replaced by the Congress in 1980, and thus the IPR, 1980. Outlining the philosophy behind the IPR, 1980 the Minister for Industry said: "The 1956 Resolution therefore, forms the basis of this statement (IPR, 1980)". The policy laid emphasis on effective operational management of public sector and integrating industrial development in the private sector by promoting the concept of economic federalism. The major thrust of the 1980 IPR was to regularize the excess capacity installed over and above the licensed capacity and it also allowed privilege of automatic expansion of capacity to all industries. Thus, the 1980 IPR was guided merely by considerations of growth. Broadly speaking, the IPR, 1980 chose a more capital-intensive path of development. And a decade latter the Congress Government announced an altogether new industrial policy in 1991. This policy attempted to deregulate the industrial sector and followed a more liberalized approach towards private sector and foreign capital. The policy was a great welcome because it took the bold decision to end the license permit Raj and save the industrial enterprise from the clutches of bureaucracy.

10.4.2.1 Industrial Development in India

Indian industrialization was, at no stage, a priority for the British Government as its focus was to ensure that India played its key role in propping up the British imperial order. Thus, the industrialization process lacked the crucial backing of the state in its formative period. Therefore, the industrial development in colonial India remained extremely limited. At the time of Independence, India was still primarily an agrarian economy, with the agricultural sector accounting for over half the output and three quarters of total employment. The modern industrial sector, even after nearly a century of development, accounted for only small part of the economy. It also co-existed with a surviving traditional manufacturing sector (or its modified version) that was as large in terms of its contribution to national output, and accounted for a larger share in employment. At the time of Independence, India's industrial sector was not only small but also very narrow. The limited extent of industrial development in the colonial period expressed itself in lop-sided development where there existed important gaps in the production structure, particularly in the case of capital goods and key infrastructure sectors. After independence, however, the situation was different and promotion of industrialization became an explicit element of state policy.

Some of the major industries during the industrialization process in India were: Iron and Steel, Jute Industry, Textile Industry, Sugar Industry, Cement Industry, Engineering Industry, Food Processing Industry, Small Scale and Cottage Industry. After Independence, special attention was paid to the development of the iron and steel industry. The jute industry was one of the oldest industry in India. The textile industry is the largest industry in modern India. It contributes 20 percent of total industrial output and provides employment to about 17 million people. It also contributes 30 percent total value of exports. The sugar industry is also an important industry in India. A significant fact about the sugar industry in India is that most of the sugar mills are in the cooperative sector. The manufacture of cement was started in Madras in 1904. This industry operates mainly in the private sector. The Second Five Year Plan which laid emphasis on industry, a large part of investment in the industrial sector was earmarked for engineering establishments. As a result massive investment was made in the heavy and capital goods industries. India is the world's second largest producer of food, next to China. India's food processing sector covers fruits and vegetables, meat and poultry, milk and milk products, alcoholic beverages, fisheries, plantation, grain processing, etc. Small scale and cottage industries play an important role in India's economy. This sector accounts for 35 per cent of the value added by the entire manufacturing sector — 6.9 percent of the net domestic product and 30 percent of the country's exports. The pace of expansion of the Indian economy and of industrial production after Independence was considerably more rapid than in the first fifty years of the 20th century. But, post-independence industrialization in India was marked by its inability to achieve prolonged spells of rapid growth. Apart from the year to year fluctuations in growth, there were also different trends in different phases.

Table 10.2: Annual Average Rates of Growth — Real of GDP in India (Per cent per annum)

Sector	1950-51 To 1964-65	1965-66 To 1979-80	1980-81 To 1990-91	1991-92 To 1996-97	1997-98 To 2002-03	2003-04 To 2007-08
Mining & Quarrying	5.59	3.33	7.97	3.87	3.97	6.02
Manufacturing	6.72	4.41	5.82	8.10	4.07	9.11
Electricity, Gas & water supply	11.51	7.89	8.58	7.68	4.50	5.74
Construction	6.72	2.80	4.41	3.37	6.92	13.68
Industry	6.75	4.04	5.87	6.58	4.71	9.69

Source: Central Statistical Organization, *National Accounts Statistics, 2008*, New Delhi.

Table 10.2 indicates three phases in the post-independence period as distinguished from those in pre-liberalization period. The first phase corresponding to, roughly, the first three Five Year Plans, saw an acceleration in industrial growth which came to halt in the mid-1960s. Industrial growth slackened and then began a period that has been referred to as the decade of industrial stagnation. Industrial growth started reviving from the late 1970s and the next decade, again, saw reasonably rapid growth. This positive growth trend appeared initially to receive a further impetus from liberalization in the early 1990s. However, in the second half of the 1990s, industrial growth again slackened for a period of about six

years before rebounding from 2003-04 onwards. This growth has, however, again been halted in the aftermath of the global economic crisis, with industrial growth in 2008-09 being reduced to just 3.8 per cent and manufacturing growth to a mere 2.4 per cent. In other words, the unstable nature of Indian industrial growth has survived the transition to a liberalized economy.

It can also be seen that the manufacturing sector's growth trends mirror the overall trend observed since Independence. The electricity sector generally grew faster in the early post-Independence period, with its growth being substantially slower after liberalization. Construction sector, on the other hand, experienced accelerated growth since the mid 1990s, with this growth being exceptionally high in the most recent period. The parallel movements in the growth of manufacturing and industry as a whole is because of the fact that manufacturing has always accounted for a large part of the industrial sector. However, particularly since the mid-1970's, its weight in the industrial sector has been declining - it accounted for over 75 per cent of industrial value added in 1950-51 and about 73 per cent in 1974-75, but this share came down to only 55 per cent by 2007-08. In recent years, construction is the segment within industry which has raised its share considerably. In the case of electricity, on the other hand, a consistent trend of increase in its share, which went up from 1.64 per cent in 1950-51 to 10.90 per cent in 200-01, has been sharply reversed so that its share came down to just 5.97 per cent in 2007-08.

The structural composition based on end-use of output reveals considerable growth in the industrial scene. When regrouped, the industries producing the capital goods stand at the top with respect to production. This is followed by basic goods production as shown in the following table.

Table 10.3: Annual Growth Rate in Index Numbers of Industrial Production

Sl.No	Industry	1951-65	1966-80	1980-92	1996-02	2007-08	2008-09
1	Basic Goods	9.1	5.9	7.4	5.5	5.8	4.8
2	Capital Goods	14.2	6.6	9.4	6.8	18.2	12.5
3	Intermediate Goods	7.0	4.5	4.9	7.2	3.2	3.1
4	Consumer Goods	4.7	5.0	6.0	6.1	9.5	5.3
5	General Index	7.3	4.1	7.8	6.7	6.9	5.5

Source: Central Statistical Organization, *National Accounts Statistics, 2010,* New Delhi.

It is the capital goods industries which have kept growth rate higher than the general index. The basic and intermediate goods sectors have shown varying performances. The growth of intermediate goods production slowed down rapidly in recent periods than earlier. Basic goods production also slowed down rapidly except during 1980-1992.

The organized or registered manufacturing sector reflected the structural change to a greater extent than unregistered manufacturing. Much of its growth, after Independence, was accounted for by industry groups which had just about emerged towards the end of the colonial period. The manufacturing industries accounting for over 80 per cent of the manufacturing value added in 2007-08 had a share of less than one third in 1950-51. The most dramatic decline in relative importance

was in the case of textiles, the largest segment at the time of Independence. This decline in the relative importance of textile industries in organized manufacturing, was the result of a major shift in textile production (of fabrics) from organized textile mills to what is called the power loom sector, which mostly consists of unorganized sector units. Despite the shift in cloth production to the unorganized sector, the relative share of traditional industries has declined even in the unorganized manufacturing sector. Industries like textiles, food products, and wood products constituted the large bulk of the sector at the time of Independence, but by now more than 56 per cent of the unorganized manufacturing output is accounted for by other industries. In other words, structural change has occurred even in unorganized manufacturing segment in the same direction as in the organized segment.

10.4.2.2 Causes of Slow Industrial Growth in India

The causes of slow industrial growth in India include the following.

In India, the kind of agricultural breakthrough typically associated with industrialization never happened. There are many ways in which agrarian backwardness held back industrialization. One important way that has been of a long-term nature is the holding back of the development of a large domestic market for industrial products. The consequent narrowness of the domestic market has had two further implications. *Firstly*, it has not adequately provided the base on which exports of manufactured products could have been developed over time. *Secondly*, the dependence of the industrial sector on a narrow domestic market provided by the relatively well-to-do has also made the industrial structure more biased towards capital-intensive production than it should have been, since the rich demand relatively more of such products. These difficulties associated with agricultural backwardness still persist. Therefore, despite the fact that relative to industry and services the importance of agriculture in total output may have declined, the agricultural sector may still hold the key to a successful industrialization process in India.

Slackness in investment is another important reason. Investment, on one hand, is an expenditure which creates demand for the products produced by others. At the same time, investment also creates the capacity to produce and supply products to others. The difference between private and public investment lies in their motivation, and this makes for complementarities between them. Private investment is undertaken only in expectation of a return or profit, and will be forthcoming only when the investor expects a reasonable return within a reasonable time. Inadequate infrastructure can not only limit the quantity of production possible, but also increase the costs of production of industrial products which also limit their competitiveness in international markets. Profit-oriented private investment is also susceptible to being depressed if investors do not anticipate that there will be adequate demand for the products that would eventually flow from such investments.

In India, the government has not been able to ensure adequate levels of public investment for supporting the nation's industrialization effort. The only period in which public investment grew somewhat rapidly was during the first three Five Year Plans. Once this growth slipped in the mid-1960s, it never really recovered and this problem of inadequate public investment plagues the Indian economy till today. Inadequate public investment, in turn, has also reinforced

the agrarian constraint because some part of this investment is that which contributes to improving agricultural productivity.

The small-scale industries (SSIs) which play an important role in industrial development also are also the victims of industrial sickness due to:

i) *Lack of finance:* Finance is important for opening, maintaining and sustaining industries. Lack of finance along with other factors like inefficient working capital management, absence of costing and pricing, planning and budgeting also affected the small scale industries.

ii) *Bad production policies:* The wrong selection of sites production, inappropriate plant and machinery, lack of quality control, and poor research and development were the operational causes for failure of SSIs.

iii) *Marketing:* The third cause of sickness is related to marketing. The poor sales techniques and branding also affected the profitability of SSIs.

iv) *Shortage of human resources:* One of the important reasons for sickness of SSIs is the non-availability of skilled manpower. Even if available, there is no provision for human resource development.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

4) Describe the following:

i) Industry.

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ii) Industrial Policy.

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iii) Small-scale industries.

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10.5 ENERGY ISSUES IN DEVELOPMENT

Energy, a capacity for vigorous activity (Random House Dictionary, 1982), is an important input for most of the production processes and consumption activities. It plays a crucial role in economic development and is necessary for furthering the development process. Economic growth and the demand for energy are positively correlated. It is estimated that a three percent raise in industrial production is accompanied by two percent increase in energy consumption. Also, high per capita income is associated with high levels of energy consumption. The following table based on World Development Report (2010) shows the per capita income and per capita energy consumption in six countries.

Table 10.4: Per Capita Income and Per Capita Energy Consumption for Selected Countries

Country	Per capita income (in US dollars) 2008	Per capita energy consumption (Kgs of oil equivalent) 2007
USA	46790	7766
UK	36240	3464
Japan	35190	4019
China	6010	1484
India	2930	529

Source: World Bank, *World Development Report 2010,* New York.

Energy is not directly consumable, but it is essential in many production processes. It is not only necessary for furthering the production process but also a vital input in many consumption activities. Thus, it plays a vital role in production and consumption activities and in furthering the development process. As a force, it is necessary for moving and to put in use the machinery and tools in all sectors including agriculture. In agriculture, energy is used in digging wells including tube wells, lifting and distributing water, running the pump-sets, sowing and harvesting machinery, spraying machines and in the processing of agriculture products. Energy has been an important input in setting up of and working of industries. Energy is necessary in transport and communication to run the vehicles and communication devices. In providing banking, educational and health sectors also energy is used in running the necessary equipment. Energy is very basis of high living levels of urban and rich people whose income levels are very high with special consumption pattern towards consumer durables and luxury goods. It is also an essential prerequisite for improving physical quality of life, as also for the socio-economic development of rural people in the country. Its contributions in raising the quality of life are obvious from its several uses for making life easy and comfortable. With the use of energy much of the rural work can be more productive with consequent rise in incomes of the people.

10.5.1 Sources of Energy

There are large varieties of sources of energy like coal, petroleum, oil, electricity, fuel wood, dung cake, bio-gas, agricultural wastes, sunlight, tidal waves, etc. All these sources are classified into two major groups: *commercial energy sources* which include coal, oil and electricity; and *non-commercial energy sources* which include fuel wood, dung-cake, agricultural wastes, etc. Such resources of energy

as the sunlight, wind, the tidal waves, nuclear energy form part of commercial energy. The commercial energy accounts for about 60 percent of the total energy used in the country. The share of non-commercial sources of energy has been falling. But, the consumption of non-commercial sources has increased in absolute terms. The use of non-commercial sources is predominant in rural areas. Quite a big proportion of this is used in rural households. Because of inadequate supply of electricity in rural areas, as also the limited supply of kerosene and gas, the fire wood, animal dung and agricultural wastes provide the cooking fuel for the bulk of rural population.

There is another classification also: *renewable* and *non renewable sources.* Renewable sources include fuel wood, agricultural wastes, bio-gas, solar, wind and tidal energy. Non-renewable sources of energy are, coal, oil, nuclear material, etc. Energy is also classified into *primary energy resources* and *final energy resources*. When coal is used for generating electricity and electricity is consumed by industry we call coal as primary energy resource and electricity as the final energy resource. Coal, petroleum products, and natural gas are primary sources of energy, while electricity is, by and large, the only the final energy resource. Coal, petroleum products, and gas are both primary and final resources as they are consumed both directly and indirectly.

10.5.2 Energy Position in India

There are three sources of primary commercial energy viz. a) coal and lignite, b) oil and gas, and c) electricity. The total estimated sources of coal in India are placed at around 1,48,790 million tonnes and lignite reserves at 3300 million tonnes. The annual production of coal including lignite is around 437 million tonnes indicating that the existing coal and lignite reserves would be just sufficient for about 150 years. The recoverable reserves of oil and gas are placed at around 550 million tonnes and 500 billion cubic metres respectively. With annual production of around 34 million tonnes, these reserves will last for 20-25 years. As regards electricity there is hydro-electric and thermal power. While the former is generated with water, the later is produced by use of coal, oil, gas and nuclear fuel. The official estimates place the potential from hydro electric power at 90,000 MW out of which only 18,000 MW forming about 20 percent has been developed. The uranium reserves of the country are estimated to be about 70,000 tonnes which, when used in breed reactors, will be equal to 120 billion tonnes of coal. Other conventional sources of energy in India are fuel, wood, agricultural wastes, animal dung, etc. Fuel wood is essential for cooking purposes and is extensively used in villages and towns. According to official estimates 65 percent of the total rural energy consumption is met by fuel wood. The annual fuel wood consumption was put at 220 billion tones – 180 million tonnes for household consumption and 43 million tonnes for cottage industry, hotels, etc, The use of agricultural wastes for fuel purpose was put at around 65 million tonnes per year. Dried animal dung is extensively used as fuel in rural areas and to a small extent in towns also. Out of the total estimated production of 324 million tonnes of animal dung about 73 million tonnes are estimated to be burnt for energy purposes every year. There are other sources of energy which are commonly called non-conventional sources of energy. They are solar energy, wind energy, tidal power. The solar energy potential is unlimited in India. The wind energy is also available in abundance, especially in coastal regions and hilly areas. The sea coast can be well exploited for generating the tidal energy (Govt. of India, 2011).

India is both major energy producer and consumer. It ranks as the world's 7th largest energy producer accounting for about 2.5 percent of the world's total energy production. It is also world's 5th largest energy consumer accounting for about 3.45 percent of the total world's energy consumption. However, India's per capita energy consumption is one of the lowest in the world. Nearly 50 percent of the population including those below poverty line does not have a purchasing power to enter the market for commercial energy. This part of population living mostly in rural areas depends upon non-commercial and traditional source of energy such as fire wood, dung-cake and agriculture wastes.

The total energy consumption is very high in India and the demand for energy particularly for commercial energy has been growing rapidly with the growth of economy, change in the demographic structure, rising urbanization, socio-economic development and cultural change. The sectoral pattern of consumption of commercial energy is given below:

Table 10.5: Sectoral Trends in Commercial Energy Consumption (in percentages)

Name of the sector	1953-54	1970-71	2005-06
Household sector	10.00	12.00	12.00
Agriculture	1.00	3.00	9.00
Industries	40.00	50.00	42.00
Transport	44.00	28.00	22.00
Others	5.00	7.00	15.00
TOTAL	100.00	100.00	100.00

Source: *9th Five Year Plan (1999-2002), Vol. II*, Chapter 6, Planning Commission, Government of India, New Delhi.

The transport sector was the major consumer of commercial energy in 1953-54. However, there has been sharp decline in the share of transport sector. The share of agriculture is the lowest, but there has been sharp increase in the percentage of use of commercial energy. Next comes, the category of 'others', whose share is also increasing significantly. The share of 'others' including shops and establishments, hotels, offices have been increasing steadily because of urbanization and modernization.

Now, let us look into different sources of commercial energy. The share of different sources of commercial energy is given below.

Table 10.6: Percentage Share of Different Sources of Energy

Source	1953-54	1970-71	2005-06
Coal	80.00	56.00	29.00
Oil and gas	17.00	35.00	54.00
Electricity	3.00	9.00	17.00
TOTAL	100.00	100.00	100.00

Source: *10th Five Year Plan (2002-2007), Vol. II*, Chapter 6, Planning Commission, Government of India, New Delhi.

It is interesting to observe that the share of coal in the total commercial energy consumption has declined steadily while the share of oil, gas and electricity has steadily increased. This is due to greater emphasis given for the generation of electricity through hydro-electric and thermal power stations.

10.5.3 Problems Related to Energy

Energy is the most vital input in the development process and it plays significant role in the economy particularly in the developing economies. With increasing incomes and change in the structure of the economy, the demand for energy is growing by leaps and bounds, and the supply is not increasing in the same pace. With the result, there are serious imbalances between the demand and supply of energy. The flare up and ever increasing prices of oil is another problem. The distribution of energy sources and output is another major problem. The following table gives the trend in the commercial energy demand and supply.

Table 10.7: Trends in the Demand and Supply of Primary Energy (in Mtoe)

Source	1970-71	2000-01	2006-07
Domestic production of commercial energy	47.67	207.08	259.56
Net imports	12.66	89.03	131.97
Total commercial energy	60.33	296.11	391.53
Non-Commercial energy	86.72	136.64	140.56
Total primary energy demand	147.05	432.75	539.09

Notes: Mtoe = Million tonnes of oil equivalent.

Source: 11th Five Year Plan (2007-2012), Volume-3, Planning Commission, Government of India, New Delhi.

We can see from Table 10.7 that the gap between domestic production and total demand for commercial energy has been widening compelling India to depend upon imports. It is important to note that one-third of the demand for commercial energy was met through imports.

India has been facing the energy crisis for a very long time due to the imbalance between supply and demand for commercial energy. To match this imbalance India is importing oil from Arab countries. There was no problem until 1973 when there was large hike in the oil price for the first time by the Organization of Petroleum Exporting Countries (OPEC). As a consequence of this sharp increase in the oil prices, the value of India's oil imports rose sharply from Rs.1,110 crores in 1973-1974 to over Rs.5,720 crores in 1982-1983 and to a whopping amount of Rs.2,58,570 crores in 2006-2007. Oil imports which were just equal to 12 percent of the India's exports in 1970-1971 rose to 45 percent in 2006-2007. The gap between imports and exports of India widened over the years leading to a serious problem of adverse balance of trade and payments.

At present, India's energy problem is not one of demand and supply in oil only. The coal sector is also adding to crisis. The coal industry which was expected to meet the growing demand by stepping up of coal production substantially has been faring badly in recent years. Further, coal reserves are poor both in quality

and quantity. The gap between supply and demand for electricity is also widening. Inadequate and erratic power supply constitutes a major dimension of energy crisis in India.

This energy crisis has to be tackled in a cautious and urgent manner so that the energy crisis will not be a hindrance to economic development. When the price of crude oil shot up spearheading the energy crisis, the immediate need was to check the consumption of petroleum products so as to keep the imports of these products within reasonable limits and also to increase the domestic production of crude oil as well as refining capacity. The ONGC and OIL increased their exploratory drilling operations all over the country and also in the offshore areas. The Government has been trying to check consumption of petroleum products through price rise and restrictions on the supply of petroleum products. As recommended by the Fuel Policy Committee, the Government drew up a phased programme of substitution of furnace oil by coal in a number of industries consistent with the availability of coal and transport facility. Further, the Government has been laying greater emphasis on expansion of electric power particularly the thermal power. Another step to tackle energy crisis has been energy conservation. The government has been giving higher priority to the conservation of petroleum products and has taken a variety of measures in this direction like standardization of fuel-efficient, irrigation pump-sets in agriculture, replacement of old and inefficient boilers and furnaces with efficient ones, adoption of measures and practices conducive to increased fuel efficiency and training programmes in transport sector and development as well as the promotion of the use of fuel-efficient equipment in domestic sector. The Government has also devised a strategy for the promotion of renewable sources of energy which include providing budgetary support for demonstration projects, extending institutional finance to commercially viable projects and promoting private investment in new and renewable sources of energy through fiscal incentives.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' questions".

5) What are different sources of energy?

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10.6 TRANSPORT AND COMMUNICATION ISSUES IN DEVELOPMENT

The transport, as a system of conveying people, goods, etc from place to place, is as old as mankind. But, transport, in the modern sense, is one of the auxiliaries of commerce (Dictionary of Economics & Commerce, 1969). Generally speaking, the tremendous improvements in the means of transport that took place in the past three hundred years have had far-reaching economic effects. The expansion of pathways has opened up the interiors of the country and enabled transportation of raw materials to different parts to set-up industries all over the country. The development of sub-urban transport and the private car have brought about a sprawling expansion of larger industrial areas. Improved means of transport are essential to meet the requirements of grater division of labour and specialization of production which made possible the massive production of many things. Speedier and larger aircrafts are making possible an even greater degree of specialization internationally. The development of inland and offshore water transport made the goods transport cheaper across the country and the nations in the world. All these acted as catalysts to the development process and enabled us to achieve greater levels of growth.

Transport benefits the economy in many ways. It serves final consumers by taking goods and services to them and thereby enhancing the demand for the products. It also stimulates new demand as well by extending the variety of goods that can be made available anywhere and everywhere. Transport also facilitates production by moving raw materials, tools, and machines, and labour to places of production. By bringing in large quantities of these materials at fixed plants, it enables production to take place on a large scale. Transport itself is an economic benefit. The provision of transport itself is a factor in expanding national output and pacing up the industrialization. The creation of transport facilities requires production of a variety of products like engines, wagons, coaches, ships, stations, etc, which again need steel, coal, electricity, cement and other things. The production of all these will add to the national output and further economic growth and development. Lastly, transport is a key agency for the planned development. In order to use the resources as per plan priorities, transport helps in linking and dovetailing of different parts of the economy through the transportation of inputs, including labour. Moreover, the extension of market entails transport that removes many hurdles in commanding larger inputs, selling at markets in distant places and reducing regional imbalances.

10.6.1 Growth of Transport System in India

The growth of transport system in India has a historical significance. The kings and emperors who ruled the country showed their attention towards the growth of transport system in whatever possible ways they could through roads and water ways. The British rulers laid greatest emphasis on the development of railway transport system along with road and water transport. Indian planners also gave high priority to the development of transport. At present, rail and road transport systems dominate but other forms of transport are also significant within their specialized area considering the size of the country and its geographical features and linkages with other parts of the world. The following table gives a picture of growth of transport sector since 1950-51.

Table 10.8: Growth of Transport System in India

Type of transport system	1950-51	1970-71	2008-09
1. Railways: Route Lengh (000 km)	53600	59800	64000
2. Roads: Total Length (000 km)	400	915	4236
3. Shipping ports (tonnes 4RT)	0.2	2.2	9.3
4. Civil Aviation (No. of passengers in lakhs)	NA	26.17	395

Sources: 1) *10th Five Year Plan (2002-2007), Vol.II,* Planning Commission Government of India, New Delhi.

2) *Economic Survey, 2009-10,* Govt. of India, New Delhi.

The road network has expanded phenomenally at an annual rate of 5 percent per annum and covered about seventy percent of villages. About forty percent of villages are served by all weather roads. Shipping tonnage has increased by all impressive 11 percent. Domestic airline passenger traffic has risen by 10.5 percent per annum. The railways recorded a growth rate of 1.8 percent per annum. The growth of transport sector in general is indeed quite impressive and reflects the enormous outlay allocated to the development of transport system.

10.6.1.1 Railway Transport System

The Indian Railways had a modest beginning in 1853 when the first railway line was launched between Bombay and Thana. After this, railway development became very rapid that by 1900, about 25,000 miles railway line was laid. It, however, slackened in the later 50 years and even after Independence. Originally, the railways were operated by private companies owned by Englishmen. In 1925, the Government of India took over the first railway company. Gradually other companies were also taken over. The Indian Railways have now become a unified state enterprise. It is Asia's largest and world's third largest rail network under a single management and country's biggest nationalized enterprise with a capital base of about Rs.58,000 crores employing about 1.6 million people (Government of India, 2011, p.925).

As Indian railways constitutes the largest transport agency intimately connected with the development of national economy, the main objective of planning in the past was to expand railway traffic in such a way as to avoid bottlenecks in the production process and to ensure an efficient rail transport system. In addition, special objectives during the beginning of Plan period were rehabilitation and replacement of over-aged assets (First Five Year Plan), preparing the railways to meet the increasing demands due to new steel plants (Second Five Year Plan), building up of additional capacity (Third Five Year Plan), modernization of the system (Fourth to Seventh Five Year Plans), capacity generation (Eighth and Ninth Five Year Plans), capacity expansion with modernization (Tenth and Eleventh Five Year Plan). The Eleventh Five Year Plan emphasized particularly the need to augment capacity on critical routes for which freight corridors are to be constructed during the Plan period.

The Indian railways progressed in more than one way. The railway network, in terms of route length, has increased from 53,600 kms to 64,000 kms i.e. by 18 percent between 1950-51 and 2009-10; but the freight transport has increased by

more than 800 percent (from 93 million tonnes to 833 million tonnes) and the passenger movement by 500 percent (from 1,290 million to 7,100 million passengers). The increase in transport output has been brought about by more intensive utilization of available assets, improvement in productivity and technological up-gradation. The steam locomotives are being gradually replaced by diesel and electric locomotives. They carry over 98 percent of the total goods traffic. Modernization and improvement of signaling and telecommunications are also going ahead (Ibid, p.926).

The Indian railway system is beset with many problems. The railway network is smaller and inadequate compared to the requirements of the economy. It is unable to meet the growing demand because of urbanization and population growth. That is why, it also suffers from overcrowding and poor passenger services. The existing technology of both electric and diesel locomotives are very old and needs modernization. Because of social responsibilities the Indian railways is forced to operate a number of un-remunerative lines and hence suffer losses. As a result, it is facing a problem of financial crunch. The conventional methods of raising the net revenue like increasing the tariffs and expenditure control are inadequate. The net additional investment on railways is insufficient and meager.

10.6.1.2 Road Transport System

Roads are very important in India for various reasons. Road transport is quicker and flexible compared to others. It is of particular advantage to the farmers and the rural areas. Motor transport as well as road constructions contribute significantly to the growth of gross national product. Further, roads are highly significant for the defence of the country. The VII Five Year Plan highlighted the importance of roads as follows: "Since the country's economy is still largely agrarian in character and the settlement pattern is rural-oriented, roads constitute a critical element of the transportation infrastructure. Road construction and maintenance generate sizeable employment opportunities, a factor that has assumed considerable importance with demographic expansion and the growth of labour force. Better roads also achieve fuel economy and improve the overall productivity of the road transport sector".

In India, development of road transport system is not of recent origin. Indian kings and kingdoms gave due importance to build roads connecting villages and the places of trade and commerce and of administration. The British Government gave secondary importance to road system next to railways. At the time of independence, there were 1,60,000 km of surfaced roads and about 2,40,000 km of un-surfaced roads. It was only in 1959 the Hyderabad Plan was adopted aiming at bringing every village within 6 km of graveled road and 2.5 km of any other road. The Hyderabad Plan objectives were embodied in the III Five Year Plan and the later Plans provided funds for the development of road transport system. Since 1951 the road length had increased from 4,00,000 km to about 45,00,000 km with about 60 percent of the surfaced road. At present the Indian road network is the largest in the world (ibid, p.929).

Indian roads are classified intro *three types* – National Highways, State Highways, and District and Rural Roads. The National Highways encompass a road length of 67,000 km or 1.5 percent of the total road length. The State Highways support for nearly 115,000 km forming about 3.8 percent of the total road length. The

rest are rural roads constructed under the Minimum Needs Programme, National Rural Employment Programme and Command Area Development. During the X Plan period the Planning Commission adopted National Highway Development Programme and the Pradhana Mantri Sadak Yojana for rural areas (ibid, p.930).

Indian road transporting system is facing many problems. The road length is inadequate considering the size of the economy. A number of areas particularly interior and hilly tracts remain to be linked with road system. Large tracts of rural roads are still mud roads and metal roads which cannot be used for plying heavy traffic. A number of urban roads are also poorly maintained. This is due to financial constrains, organizational inadequacies and operational inefficiency. In order to overcome these problems, an ambitious project called the National Highways Development Project (NHDP) was taken up; it involves developing Golden Quadrilateral (Mumbai, Delhi, Chennai and Kolkata), North-South, East-West Corridors, Port connectivity and other projects.

10.6.1.3 Water Transport System

Water transport is the cheapest system for carrying goods and passengers. Water transport can be divided into inland water transport or river transport and coastal or marine transport called shipping. Inland water transport comprises a variety of rivers, canals, backwaters, creeks, etc. It is the cheapest mode of transport for certain kinds of traffic. Besides, inland water transport is one of the most efficient transport systems from the point of view of energy consumption. It is also labour intensive mode and thus benefits weaker sections of the community. Shipping can be coastal shipping or overseas shipping.

Inland river transport is important in Assam, West Bengal and Bihar. It is highly important in Kerala where rivers and backwaters are used to transport goods and people. Inland water transport is also of some importance in Orissa, Andhr Pradesh and Tamil Nadu. India has about 14,500 km of navigable water ways which comprise rivers, canals, backwaters, creeks etc. About 45 million tonnes of cargo is being moved annually by inland transport. India also has a long coast line of 7,517 km, 12 major ports and 200 minor ports and a vast hinterland. Coastal shipping is very energy-efficient and cheapest mode of transport for carrying bulk goods like iron and steel, iron ore, coal over long distances. About 95 percent of India's global merchandise trade is carried through the sea route. India's overseas shipping has improved over different Plan periods. The country has the largest merchant and shipping fleet among the developing countries and ranks 20th in the world in shipping tonnages. Indian shipping tonnage has grown significantly in the last six decades from 0.2 million Gross Registered Tonnage (GRT) in 1950-51 to 9.3 million GRT in 2008-09. The share of Indian flag vessels has been rising prior to 1990-91, but due to slow progress in Indian shipping tonnage as compared to fast raising total overseas traffic, the share of Indian shipping in the transportation of cargo has declined from 30 percent in 2000 to 12 percent in 2008. The main problem with Indian shipping is low productivity. This is due to operational constrains such as frequent breakdown of cargo handling equipment due to obsolescence, inadequate dredging and container handling facilities, inefficient and non-optimal development of port equipment, and lack of proper coordination in the entire chain.

10.6.1.4 Air Transport (Civil Aviation)

Air transport is the preferred mode of transport especially for long distance travel, business travel and for transporting high value and perishable commodities. It offers a great saving in time that cannot be matched by surface transport over long distances. Air transport helps optimize technological, managerial and administrative skills. There are a number of agencies which are involved in providing air transport or civil aviation services in India. At the operational level, there are eleven passenger operators and one cargo operator in the country with the combined fleet size of 407 aircrafts. There are also 19 non-scheduled airline operators who have 241 aircrafts in the inventory. The Indian Airlines operating internal services and Air India (operating external services) were amalgamated with the National Aviation Company Limited, maintaining, however the name of 'Air India'. The private sector is now playing a crucial role in the development of both airline and airport sectors. Its market share in the domestic traffic during 2006 reached 78.5 percent. Jet Airlines has emerged as the market leader with a share of 31.2 percent followed by Indian Airlines (21.5%) and Air Deccan (18.3 percent). The infrastructural facilities are provided by International Airports Authority of India (IAAI), and the Director General of Civil Aviation (DGCA). The IAAI looks after the development of 5 international airports (Delhi, Mumbai, Kolkata, Chennai and Tiruvanantapuram). The DGCA is responsible for maintenance and development of civil aerodromes, civil enclaves and aeronautical communication stations. The civil aviation is regulated by the Department of Civil Aviation, Government of India. International services are governed by international agreements (ibid, p.940).

There has been rapid growth in air traffic due to accelerated economic activity in recent years. With the entry of private airlines and particularly the low-cost carriers, domestic traffic grew almost by 24 to 28 percent annually in recent years. Besides, India's development as Information Technology and manufacturing hub has led to the growth of international air traffic by leaps and bounds. In fact, the growth of domestic and international air traffic in India is the second highest in the world next to China. This growth is, partly, due to the Government's liberal approach in the matter of granting traffic rights under bilateral agreements with various foreign countries. The government has also taken major steps like modernization and restructuring of Delhi and Mumbai airports launched through joint venture companies, development of Greenfield airports at Bangalore and Hyderabad on Build-Own-Operate-Transfer (BOPT) basis with public-private partnership, liberalization of FDI limit up to 100 percent through automatic route for setting up of Greenfield airports, adoption of a limited Open Sky Policy in international travel to meet the traffic demand during peak season and adoption of trade facilitation measures in custom procedures to facilitate speedy clearance of air cargo.

10.6.2 Communications

Communication means transmission of information. It is like a life force which guides all other economic activities. Hence, it is necessary for the development of industries, commerce and trade in the country. By providing necessary information about markets and also supplying necessary motivation, the communication system helps bring buyers and sellers together effectively and help accelerate economic growth. The communication system also provides

technological and managerial information to the organization and factors participating in the economic activities and, thus, contributes to increasing productivity. Thus, communication system supplies an important input called information which is a matter of productivity. Hence, the modern communication system has become an integral part of developmental process. The communication system comprises posts, telegraphs, and telecommunication system, broadcasting, television and information services. The important means of communication are the postal services, telephone services, tele-printers, radio and television, etc. Telephone, tele-fax and email have been gradually evolving replacing telex and telegraph. For want of space, we touch briefly about postal and telecommunications here.

10.6.2.1 Postal Communication

Indian postal system dates back to 1837 and today our postal network is the largest network in the world. At present, there are more than 1.55 lakh post offices out of which around 1.4 lakh are in the rural areas. The postal network has expanded throughout the country with special emphasis on the rural, hilly and remote areas. Earlier the postal services suffered from many weaknesses such as inadequate number of post offices, use of outdated techniques, delays in reaching the posted materials, etc. The Government also has taken a number of steps to resolve these problems. Speed-post, business-post, express, parcel-post, media-post, and other services were introduced to widen the services and improve the delivery system. To provide better services, mechanization and computerization of postal operations have been introduced aggressively. 'Logistic Posts' and 'Retailed Post' services are other new services which are provided by the postal system. Today, the post offices are also providing a number of financial facilities such as Savings Bank and Savings Certificates, Postal Life Insurance, non-life Insurance Products, Mutual Funds, etc. Besides, Government of India has adopted certain policies to reduce its monopoly control on carriage of letters. But, the persistent deficits in the postal system have been a worrisome aspect. Hence, the Government needs to take a liberal approach to introduce bold commercial schemes to save the postal system from the long-term financial illness (ibid, pp.182-185).

10.6.2.2 Telecommunications

Telecommunications is an essential input in the development process considering the technological development across the world and the growing global competition in the era of globalization. It is important not only because of its role in bringing the benefits of communications to every corner of India and the globe but also in serving the new policy objective of improving the global competitiveness of the Indian economy and attracting foreign direct investment into the country. Telecommunications is one of the prime support services needed for the rapid growth of and modernization of various sectors of the economy. It has become especially important in recent years because of enormous growth of information technology and its significant potential for the impact on the rest of the economy. Thus, the telecommunications sector, which has the multiple effects on the economy, has a vital role to play by way of contributing to increased efficiency. Telecommunications increases the income of the business and households and thus contributes to the growth of gross domestic product. The growth of telecommunication infrastructure and information is the key to rapid

economic and social development of the country. Communications all over the world has progressed rapidly and the most important factor accounting for increased communication has been the development of telecommunication which includes telephone services and telex services across the world. In India too, there has been phenomenal growth in the telecommunication sector after 1995. The telecommunications network of the public sector (BSNL and MTNL) is one of the largest telecommunication net work in Asia with a capacity of 50 million lines and over 40 million working connections comprising 35,510 telephone exchanges in the country. By March 2009 India had 440 million connections and expected to reach 600 million by the end of 2012. As on March 2009, more than 5.6 villages were connected using Village Public Telephone (VPT). Thus, more than 90 percent of villages have been covered by village public telephone system (ibid, p.190).

India has witnessed a sort of revolution in the field of telecommunication in recent years. A number of value-added services like radio paging services, cellular mobile telephone services, electronic mail, public mobile-radio trunkal service, voice mail, video conferencing, etc., have been introduced. Up to March 2010 there were about 376 million subscribers of cellular mobile telephone services. Apart from this, there has been significant growth in the internet connections and broadband subscribers. The internet connections increased from 0.01 million in 1995 to around 35 million as on March 2009 and broadband subscribers have increased from 0.49 lakhs in 2004 to more than 6 million in 2009. Now, Indian telephone network is the third largest in the world. But, the tele-density continues to be low particularly in rural areas. Only about 35 percent people are covered by the telecommunication system — 13.81 percent of the rural areas and 83.66 percent in urban areas. There is need to increase the tele-density and also to narrow down the rural urban inequity (ibid, p.191).

10.7 ISSUES OF INFORMATION AND COMMUNICATION TECHNOLOGY IN DEVELOPMENT

ICT is an emerging sector spearheaded by the advancement of information technology with wide application of telecommunication apparatus and instruments for the spread and use of data relating to various aspects in different fields such as trade, commence, industry, education, health, entertainment, governance, and so on. The sector has developed significantly due to the collaborative efforts in blending the effects of two rising industries, i.e. information technology and telecommunications. Traditionally, the telecommunications sector achieved rapid growth due to the strides in science and technology in the related fields. In recent years, the information technology has witnessed phenomenal growth and varied applications in the generation, processing and dissemination of data along with the use of multiple and complex instruments of telecommunications. As a result, a new sector has emerged which makes use of information technology and telecommunications. This new sector not only has its applications in all other sectors of the economy but also proved to be a source of value addition in all the economic activities. The service sectors including government are the main users of the information and communication technology.

10.7.1 Place of Information and Communication Technology in Development

The telecommunication services were introduced in India soon after the invention of telegraph and telephone. While telegraph was opened in 1851, telephone service was opened in 1881. These services were expanded in the pre-Independence period. The telecommunication services have improved significantly since Independence with the sector witnessing series of reform measures including National Telecom Policy, 1994, the establishment of TRAI in 1997 and the New Telecom Policy in 1999. Since then the Indian telecom sector has come a long way in providing affordable and effective communication facilities to its citizens. As a result, common man today has access to this most needed facility. The reform measures coupled with the pro-active policies of the Government have resulted in an unprecedented growth of telecom sector. Today, the Indian telecommunication network with about 562.1 million telephone connections as on 31st December 2009 is the second largest in the world. The structure and composition of telecom sector has undergone a substantial change in terms of mobile verses fixed phones and public-private participation. The share of wireless phones increased to 93.41 percent and that of private sector increased to 82.33 percent as on December 2009 (Government of India, 2011).

There has been phenomenal growth of mobile phones. There are three important economic implications of mobile expansion. *First,* by offering a viable techno-economic alternative it is helping to improve telecom penetration bypassing the shortage of fixed lines. *Second,* it is promoting a better entrepreneurial culture and supporting employment generation through expansion of service centers. *Third,* there has been a shift in the investment burden from public to private sector and the consumers. The cellular mobile phones increased from 77,000 in 1995 to 64 million in 2009 (Govt of India 2011). Like mobile, the last decade witnessed phenomenal growth in internet use also.

Information Technology has become an inseparable element in today's society. It has interwoven itself into our socio-economic fabric in such a manner that, it is said, we live in an information age. At present, different organizations, industries and others are adopting information technology in the various ways. Information Technology is also increasingly penetrating the heart of organizations and will continue to do so in the future. In the early years of information age computer use was primarily confined to business and research. However, the 1980's and 1990's saw the development of cheaper and more veritable computers which has led to an ever-growing number of users in offices and homes. In future, consumers are expected to sign up in record numbers for information, education and entertainment services provided over networked computers. With the emergence of electronic commerce and wireless network, the trading activities have become much easier. The development of mobile phones and similar services such as smart card and Bluetooth has enabled people to communicate with each other in every corner of the world. All these developments have made historic transition from industrial to information age possible.

IT is being regarded as the fourth factor of production, along with land, labour and capital. Information has, thus, become an important input in production process. Like capital, which enshrines technology also, IT enables better and more efficient use of other factors of production and, thus, increases the overall

productivity. That is why all organizations are adopting the ICT in an attempt to increase their productivity and withstand the competition. Secondly, by providing information portals to every sector, the ICT is building inter-sectoral and inter-industrial network which is enabling easy access to all the resources necessary for carrying out production activities. Thus, the production frontiers of the user-industries are being expanded leading to greater output and economic development. Thirdly, the markets across the country have expanded due to the information dispersal enabled by the ICT. With the emergence of ICT the physical boundaries of market were wiped out, in addition to, increasing availability of information and its accessibility at lower cost. The growth of commerce has multiplied the number of consumers and the demand for goods. Fourthly, the ICT has enabled economic and social integrations. The world has contracted in terms of space and is reduced to a global village. Fifthly, the ICT, is providing direct and indirect employment to the large number of people with different categories of skills ranging from software experts to the end-users and also those who provide services to the main ICT workers. With the advent of outsourcing, the ICT employment has achieved international dimension. People with ICT skills are finding employment within the country with foreign work assignments. Lastly, the ICT is contributing to the GDP through value addition and also export revenue. The software exports have become major source of foreign exchange in recent years. Thus, ICT is occupying prime importance in the service sector.

10.7.2 Information and Communication Technology in India

Information and communication technology is of recent origin but it is spreading very fast in India since late 90's. However, India is far behind the developed countries and also China. Table 10.9 presents a picture of ICT position in India, in comparison with some selected countries.

Table 10.9: Information and Communication Technology in Selected Countries: Status of ICT in India, 2006 (per 1000 persons)

Country	Daily Newspapers	Television sets	Telephone Main lines	Mobile Phone	PC	Internet
USA	194	990	670	780	762	695
UK	292	980	650	4150	758	554
Japan	551	990	110	780	676	685
France	431	940	360	1080	525	491
Canada	175	990	640	530	576	687
Russia	92	980	280	840	122	180
China	74	890	280	350	43	104
India	73	320	45	150	16	55

Source: World Bank, *World Development Report, 2008*, New York.

It clearly shows that India is far behind the developed countries like the USA, the UK, Japan and other countries in the use of various instruments of ICT particularly the telephones, mobile phones, computers and internet. India is behind China with regard to the usage of modern instruments of ICT. It has to go a long way before it can catch up with the developed countries and even China.

10.7.2.1 Growth of Revenue from IT

IT industry is contributing the revenue to the Government. It earns revenue from software, hardware, peripherals, maintenance and networking. These revenues are earned either in the domestic market or in the export market. The following table provides the data regarding the total revenues earned by the IT Market.

Table 10.10: Total Revenue from IT Market

Year	Total Revenue (in crores)	Per Cent of GDP	US $
1994-95	6345	0.63	2,041
2000-01	56,592	2.66	12,410
2009-10	3,45,761	6.10	73,100

Source: NASSCOM: *IT Industry in India, 2010.* New Delhi.

During the fifteen year period, the total revenue increased significantly from Rs.6,345 crores to Rs.3,45,761 crores with compound annual growth rate of 27.6%. As a percentage of GDP also, total revenue recorded significant increase from a meager 0.63% to 6.10%. Out of this revenue, software service exports account for more than fifty percent, followed by hardware, peripherals and industry. The domestic software services account for about fifteen percent of the total revenue from IT (NASSCOM, 2003).

10.8 ISSUES OF UNORGANIZED SECTOR IN DEVELOPMENT

Before we discuss the importance of unorganized sector in development, it important for us to understand what unorganized sector means.

10.8.1 Meaning of Unorganized Sector

The term 'unorganized sector' is used in more than one context, and thus, is understood in more than one sense. In the context of manufacturing, the Central Statistical Organization (CSO) defines unorganized or informal sector consisting of enterprises which have less than 20 labourers without power or 10 workers with power. The workers of these enterprises are not registered under any legal stipulation like Industrial Disputes Act, 1948. As per the System of National Accounts (SNA) these workers can be included in the household sector and hence within the informal sector. The National Commission for Enterprises in the Unorganized Sector (NCEUS, 2007, p.3) defined the unorganized sector as follows: "The unorganized sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers".

The term 'unorganized' is used in the context of employment also. The NCEUS (op. cit.) defined unorganized or informal employment as follows: "Unorganized workers consist of those working in unorganized enterprises or households excluding regular workers with social security benefits and the workers in the formal sector without any employment, social security benefits provided by the employers".

The unorganized sector, also called 'informal sector' essentially characterizes itself in terms of what is not organized sector or formal sector. An organized sector consists of enterprises which are established as per the state regulations and procedures, under the relevant Acts, controlled by the Government, follow established labour relations and regulations, maintain all types of records and pay taxes to the Government. These enterprises have a legal status and provide social security to their employees. The unorganized sector or informal sector consists of enterprises which are established on individual or household or preparatory basis, not controlled by the Government. Labour relations are on the casual or personal basis not supported by social security measures. The enterprises do not have legal status, not registered under any Act. They scarcely maintain records and they do not pay taxes to the Government.

Unorganized sector in India is broadly characterized as consisting of units engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons owning the enterprises. These units typically operate at a low level of organization and technology with little or no divisions of labour and on a small scale. Labour relations are based mostly on casual employment, kinship or personal or social relations rather than contractual arrangements with formal remuneration and guarantees. Thus, productive units in unorganized sector are not constituted as separate legal entities independent of the owners. The owners of enterprise raise their own finance at their own risk.

The unorganized sector covers a wider range of labour market activities that combine two groups of different nature. On the one hand, the unorganized sector is formed by the coping behavior of individuals and families in economic environment where earning opportunities are scarce. On the other hand, the unorganized sector is a product of rational behavior of entrepreneurs that desire to escape state regulations. The two types of unorganized sector activities can be described as: i) copying strategies which include casual jobs, temporary jobs, underpaid or unpaid jobs, subsistence agriculture, etc., and ii) other strategies that include unofficial business activities characterized by avoidance of labour regulations, the registration of companies and tax evasion. The underground activities and illegal activities also fall in this category.

The unorganized sector, in the context of employment, consists of two main categories of workers: i) the wage workers, and ii) the self-employed (The workers in the formal sector and the regular workers receiving social security in the unorganized sector are excluded from the self-employed). Wage workers are those persons employed for remuneration by employers or through agencies or contractors. They include casual and temporary workers or those employed by households including domestic workers. Wage workers also include regular workers in the unorganized sector. The second category of workers includes those who operate farm or non-farm enterprises or engage in a profession or trade on own account either individually or with partners or as home-based workers.

Table 10.11: Distribution of Organized and Unorganized Workers 2004-05

(in millions)

Category of workers	Organized sector	Unorganized sector	Total
Self employed	5.2 (8.3)	253.1 (64.1)	283.3 (56.5)
Regular workers	43.2 (69)	26.4 (6.7)	69.6 (15.2)
Casual workers	14.2 (22.7)	115.5 (29.2)	129.7 (28.3)
Total	62.6 (100)	394.9 (100)	457.5 (100)

Note: Figures in parentheses are percentages.

Source: NSS 61st Round 2004-05, Employment and Unemployment Survey, New Delhi.

As the table reveals 64.1 percent of the self-employed, 6.7 percent of regular workers and 29.2 percent of the casual workers are categorized as unorganized workers. That means 395 million of 457 million workers forming about 85 percent of the total workers can be considered unorganized workers.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

6) How do you distinguish between the organized and unorganised sectors?

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10.8.2 Extent of Contribution of Unorganized Sector

The presence of large unorganized sector is one of the important characteristic of developing countries like India. Not surprisingly, India also has very large unorganized sector in all the three sub sectors of the economy. Table 10.12 presents a picture of extent of contribution to unorganized sector in respect of national income generation.

Table 10.12: Percentage Share in Net Domestic Product by Organized and Unorganized Sectors

Sector	1980-81		2007-08	
	Organized sector	Unorganized sector	Organized sector	Unorganized sector
Agriculture, forestry and fishing	4.80	95.20	8.80	91.20
Mining and manufacturing	56.80	43.20	70.20	29.80
Services	39.90	60.10	46.00	54.00
Total	30.00	70.00	42.90	57.10

Source: 1) CSO, Employment – Unemployment Survey, 55th Round of NSS, 1999-2000, New Delhi.

2) CSO, Employment – Unemployment Survey, 65th Round of NSS, 2008-09, New Delhi.

It can be observed from Table 10.12 that Agriculture sector has the largest percentage of unorganized sector followed by Services and the Mining and Manufacturing sectors. A noteworthy feature is that the extent of contribution of unorganized sector is declining in all the sectors, more in the Mining and Manufacturing sector and least in the agriculture sector. This shift in the composition of net domestic product from unorganized to organized sectors is a consequence of the process of development.

Now let us look into the extent of unorganized sector in employment. As on January 2005, the unorganized sector accounted for 86 percent of total workers. However, NCEUS, 2007 made a distinction between the workers in unorganized sectors and unorganized workers working in formal or organized enterprises i.e., those engaging less than 10 workers. But, the unorganized workers refer to the workers who are employed whether in the organized or unorganized sector but are not covered by social security benefits.

Table 10.13: Employment in the Organized and Unorganized Sectors (in millions)

Sector	Unorganized Workers		Organized Workers		Total	
	1999-2000	2004-2005	1999-2000	2004-2005	1999-2000	2004-2005
Unorganized sector	341.30 (99.6)	393.50 (99.6)	1.4 (0.4)	1.4 (0.4)	342.7 (100)	394.7 (100)
organized sector	20.5 (37.5)	29.1 (46.6)	33.6 (62.2)	33.45 (53.4)	54.1 (100)	62.6 (100)
Total	361.8 (91,2)	422.6 (92.4)	35 (8.8)	34.9 (7.6)	396.9 (100)	457.5 (100)

Source: CSO, *Employment – Unemployment Survey, 61st Round of NSS*, (2004-2005), New Delhi.

From Table 10.13 it is evident that out of 62.6 million employed in the organized sector, 29.1 million are unorganized workers, applying the criterion of social security benefits. Similarly, out of 395 million workers employed in the unorganized sectors, 1.4 million workers avail of social security benefits and

are, therefore, classified as organized workers. Combining these two criteria, out of the total employment of 457.5 million workers, only 34.9 million are entitled for social security benefits, i.e. only 7.6 percent workers are organized workers and the remaining 92.4 percent are unorganized workers not enjoying any social security benefits. Further, it can be noticed that the number of unorganized workers is increasing.

10.8.3 Unorganized Sector in India: Some Issues

The unorganized sector has a crucial role in Indian economy in terms of employment and its contribution to net domestic product, savings and capital formation. The unorganized sector provides income earning opportunities for a large number of workers. Firstly, there is large magnitude of workforce getting their livelihood from the sector. The unorganized sector provides employment to the illiterate, unskilled and semi-skilled workers who cannot find themselves suitable in the organized sector which impose minimum educational and technical requirements. Secondly, workers with hands on skills but without formal education can also find employment opportunities in the unorganized sector. Thirdly, the workers with seasonal unemployment can find employment opportunities in the unorganized sectors. Fourthly, workers who wish to earn through over-time or off-duty periods can find income-earning opportunities in the unorganized sectors. Lastly, the unorganized sector is best suitable for casual employment, seasonal employment and voluntary service; but, their happy story ends there, only.

The unorganized workers are more vulnerable to economic and social exploitation. They suffer from two types of vulnerabilities – job insecurity and social insecurity or both. They are not even paid remunerative and regular wages. Most of them are under-paid and over exploited. They work in inhospitable conditions and suffer from social insecurity due to sickness, injury or old-age and are not entitled to any social security measures against these vulnerabilities. Most of them come from backward and weaker sections of the society and are in the category of poor or even extremely poor.

Table 10.14: Poverty Ratios among Organized and Unorganized Workers: 2004-05

Region	Organised workers	Unorganised workers	All workers
Rural	5.4	19.2	18.7
Urban	4.5	25.1	21.0
Total	4.9	20.4	19.3

Source: NCEUS, 2007, New Delhi.

As the table reveals overall poverty ratios among all workers was of the order of 19.3. But, there was sharp difference in poverty ratios between the organized workers (20.4 percent) and the organized workers (4.9 percent). Further, these poverty ratios are highest among casual workers and the self-employed. And, the poverty ratios in the unorganized workers were much higher than their counterparts in the organized sector. For the example, as the NCEUS (2007) shows, among casual workers the poverty ratios in the unorganized sector in rural and urban areas are 23.1 percent and 41.5 percent respectively while they

are 21.9 percent and 35 percent in the organized sector. In the case of all workers also, the poverty ratios among unorganized workers in rural and urban areas are 17.2 percent and 24.1 percent respectively while they are only 11.2 percent and 10.4 percent in the case of organized workers.

The unorganized sector is also beset with many problems in the context of both production and employment. The enterprises in the unorganized sector are unregulated, uncontrolled and run on unscientific principles. They are organized at low level and the productivity with a little or no surplus. They do not have legal status and face too many uncertainties. They do not pay taxes to the Government and also do not receive any Government assistance and financial support. Hence, any rigid attempt to regulate the conditions of workers in unorganized sector may turn out to be counter productive take away the livelihood of many of these workers.

10.9 LET US SUM UP

We have discussed sectoral issues in development with focus on the importance, growth, development and the problems faced by different sectors – agriculture, industry, and services — in the economy. We have also discussed the significance and growth of supporting sectors like transport and communication, energy and information technology in the context of overall development of an economy. Development can best be achieved by giving greater emphasis to some sectors, but not by neglecting any sector. We have therefore emphasized the inter-relationship between different sectors and their relative importance in the economy and the strategies of development. Industrial and service sectors have emerged as important sectors in recent years. However, since agriculture still dominates the Indian economy the agriculture sector should be given greater priority along with due priority to other sectors in our strategies of development.

We hope that the unit has provided you the comprehensive picture of diverse issues involved in development. As an adult educator interested in extension work you would be able to articulate these issues in extending the benefits of development to the truly deserving sectors of our economy as well as the individuals and different sections of the society.

11.10 ANSWERS TO 'CHECK YOUR PROGRESS' QUESTIONS

1) A sector comprises related economic activities carried out at similar places and using similar resources, and producing identical or related products. Agriculture sector, for example, consists of group of activities using land, water and other resources, raising different crops and producing different products, yet related to each other forming into similar groups like cereals, pulses, millets, vegetables, fruits, etc.

2) i) Banking - Services sector (Tertiary sector).

   ii) Coal – Mining (Industry – Secondary sector).

   iii) Electricity – Manufacturing (Industry – Secondary sector).

   iv) Poultry — Agriculture (Primary sector).

3) i) *Land reforms* mean the improvement of agricultural economic institutions. It includes reforms or improvements in the land tenure system as well as reforms in other institutions which are related to land and its utilization. Land reform is a planned and institutional reorganization of the relationship between man and land. Land reforms in India have been undertaken on the following lines:

- Abolition of Intermediaries.
- Tenancy Reforms.
- Ceiling and Land holdings.
- Consolidation of Holdings
- Cooperative Farming.

ii) *Green Revolution* refers to drastic changes brought about with a view to increase agricultural production and turn subsistence agriculture into industry. The changes include the use of fertilizers, high-yielding varieties, modern methods of production and also change in the outlook and attitudes of farmers. Ultimately, green revolution refers to introduction of modern strategies of production and thereby bring out drastic improvements in the agricultural production.

iii) *Cooperative farming* was started with a view to bring together small holdings into an economic holding for the purpose of more productive cultivation in which the proceeds are distributed proportionately among the farmers involved in it.

4) i) The term 'industry' refers to any branch of productive, particularly manufacturing, enterprise. In its broad sense, it refers to manufacturing productive enterprises collectively, especially as distinguished from agriculture. However, the demarcation of industrial sector or secondary sector from the other two sectors (agriculture and services) has been a challenging matter.

ii) *Industrial Policy* covers all the procedures, principles, rules and regulations which control the industrial undertakings of a country and shape the pattern of industrialization. It incorporates fiscal and monetary policies, the tariff policy, labour policy and governments attitude towards external assistance and to private and public sectors.

iii) Small-scale industries are those enterprises employing less than 50 persons with power or less than 100 percent without using power. Now-a-days the small scale industries are defined as those with fixed capital investment of less than a limit (Rs.1 crore at present). Of course, it varies as may be fixed by the Government from time to time.

5) There are large varieties of sources of energy like coal, petroleum, oil, electricity, fuel wood, dung-cake, bio-gas, agricultural wastes, sunlight, tidal waves etc. All these sources are classified into two major groups: *commercial energy sources* which include coal, oil and electricity; and *non-commercial energy sources* which include fuel-wood, dung-cake, agricultural wastes, etc. Such resources of energy as the sunlight, wind, the tidal waves, nuclear energy form part of commercial energy. There is another classification also:

renewable and non-renewable sources. *Renewable sources* include fuel-wood, agricultural wastes, bio-gas, solar, wind and tidal energy. *Non-renewable sources* of energy are coal, oil, nuclear material, etc.

6) An organized sector consists of enterprises which are established as per the state regulations and procedures, under the relevant Acts, controlled by the Government, follow established labour relations and regulations, maintain all types of records and pay taxes to the Government. These enterprises have a legal status and provide social security to their employees. The unorganized sector or informal sector, on the other hand, consists of enterprises which are established on individual or household or preparatory basis, not controlled by the Government. Labour relations are on the casual or personal basis not supported by social security measures. The enterprises do not have legal status, not registered under any Act. They scarcely maintain records and they do not pay taxes to the Government.

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UNIT 11 SOCIAL ISSUES IN DEVELOPMENT

Structure

11.0 Introduction

11.1 Objectives

11.2 Understanding Social Issues in Development

11.3 Educational Issues in Development

- 11.3.1 Education in India
- 11.3.2 Issues of Concern

11.4 Health Issues in Development

- 11.4.1 Health Programmes in India
- 11.4.2 Health Scenario: Status and Trends
  - 11.4.2.1 Health Care Services
  - 11.4.2.2 Mortality
  - 11.4.2.3 Morbidity

11.5 Nutritional Issues in Development

- 11.5.1 Nutrition Programmes in India
- 11.5.2 Nutrition Scenario: Status and Trends

11.6 Gender Issues in Development

- 11.6.1 Factors Constraining Participation of Women in Development Processes
- 11.6.2 Gender Mainstreaming in India

11.7 Issues of Marginalization and Exclusion in Development

- 11.7.1 Types of Marginalization and Exclusion
  - 11.7.1.1 Social Marginalization
  - 11.7.1.2 Economic Marginalization
  - 11.7.1.3 Political Marginalization

11.8 Cultural Issues in Development

- 11.8.1 Culture in Contemporary Development Discourse
- 11.8.2 Culture's Critique of Development

11.9 Let Us Sum Up

11.10 Answers to 'Check Your Progress' Questions

11.11 Abbreviations and Glossary

11.12 References

11.0 INTRODUCTION

We have discussed the basic issues in development in Unit-9 and the sectoral issues in development in Unit-10. This unit, i.e. Unit 11, presents a contemporary discourse on social issues in development. It briefly elucidates the processes and trends that have influenced understanding of social issues in development in contemporary times. It also focuses on various dimensions of social development by examining some of the social issues in development, such as education, health, nutrition, gender, marginalization and exclusion, and culture.

11.1 OBJECTIVES

After going through this Unit, it is expected that you will be able to:

- Explain the rationale of understanding social issues in development; and
- Analyse various social issues in development such as education, health, nutrition, gender, marginalization and exclusion, and culture.

11.2 UNDERSTANDING SOCIAL ISSUES IN DEVELOPMENT

The development discourse initially focused on economic growth in terms of sustained increase in average incomes. The underlying assumption was that economic growth by increasing a nation's total wealth would also enhance its potential for reducing poverty and solving other social issues. But, as evidences have indicated many regions, communities, and sections of population remained marginalized, and even excluded from the benefits of economic growth. They are increasingly becoming vulnerable to: i) poverty, ii) social injustices, iii) human rights abuses, and iv) violence; which often surpass the actions to tackle them. Clearly increments in economic growth both in developed economies as well as in developing and less developed economies do not necessarily lead to added well-being.

The discourse was expanded further in 1990's to include the concept of human development as a complement to existing income-based approaches to development. Rooted in the capabilities, literature of Amartya Sen and adopted by the Human Development Reports of the United Nations Development Programme (UNDP), the human development paradigm focused on enhancement of people's freedoms, capabilities, and wellbeing (Foa, 2011).

Though the theory of human development refined the objectives of development intervention, there were gaps between its conceptualization and its measurement. For instance, as a measurement, human development using Human Development Index (HDI) typically monitored the levels of income, health and education — the capability and well-being dimensions of development. Health and nutrition, education, and skills affect people's perceived and/or actual well-being and their capacity to gain control of their lives. When individuals possess knowledge, they are physically able, well-informed and more likely to stand a better chance of achieving their personal objectives and wellbeing. The other essential dimensions such as equity and empowerment, however, were not emphasized. Equity can best be understood in terms of access to social services, economic opportunities, and outcomes. Empowerment refers to expanded opportunities through norms, networks, and civic commitments that enable collective action, inclusion and social accountability. The dimensions such as absence of poverty, undernourishment and capacity at one end, and at the 'higher' end dimensions such as rights, entitlements, freedoms and choices of opportunities, non-discrimination based on caste, ethnicity or gender, engagement in a community, and social cohesion are the 'elementary' prerequisites for human security and survival.

Social issues in development are thus the components within the broader paradigm of human development. They affect a person, a group of persons or the whole society in general, either directly or indirectly, due to development processes. They are related to the intrinsic characteristics of people (age, gender, health and nutrition, education and marginality conditions) as well as to the environmental circumstances (at the social, economic, cultural and institutional levels).

In the sections that follow we shall examine social issues related to the provisioning of basic services as education, health, and nutrition (the social aspects) in order to improve the quality of life; socio-cultural and institutional conditions in the context of development, for instance, gender, marginalization and exclusion that affect policy outcomes.

11.3 EDUCATIONAL ISSUES IN DEVELOPMENT

Education is fundamental to growth and development. It plays an important role in improvement of the equity. As stated in the preceding section equity can be understood in terms of access to social services, economic opportunities and outcomes. Equity in education implies the following specific aspects.

i) *Gender Equity* refers to the opportunities of the traditionally disadvantaged gender group, i.e. females, in their access to various levels of education, in their opportunities for success in education, and in their opportunities to employment and to make use of education as an asset for enhancing their life chances. It has a key role in promoting the interests of women and increasing their diversified impact and contribution to national development goals.

ii) *Income Equity* refers to the opportunities for financially disadvantaged groups, i.e. in terms of their income and access to various levels of education;

iii) *Region Equity* refers to the opportunities for people living in disadvantaged regions. In most cases, the disadvantaged regions are rural, but they can also be economically backward regions within an economy, and also the poor income areas within urban areas.

iv) *Socio-cultural Equity* refers to the educational opportunities of socio-culturally disadvantaged groups. In most cases, they are marginalized groups within the economy, but sometimes women are also regarded as "marginalized" in certain respects as their educational opportunities are limited by sociocultural perceptions of women also that are unfavorable for them to receive education. It has a direct role in poverty reduction by enhancing the marketable skills of the economically disadvantaged and vulnerable groups, and by expanding their ability to take advantage of income generation possibilities and available social services (Lee, 2002).

The right to basic education has been expressed in the Universal Declaration of Human Rights (1948). This declaration has served as a foundation upon which the substance of the right has been translated into numerous international legal and political commitments that followed. Article 4 of the Convention against Discrimination in Education (1960) contains the normative framework for the right to basic education. Provisions for education rights are also upheld in the International Covenant on Economic, Social and Cultural Rights (1966) and the

Convention on the Rights of the Child (CRC) (1989). Similar to the 1960 Convention, Article 28 of the CRC requires the State Parties to recognize the right of the child to education and to realize the right on the basis of equal opportunity, including through free and compulsory primary education and "available and accessible" secondary education for every child. The political commitment in reaffirming education as a basic human right was also made through the World Education Forum, setting out six goals of Education for All in 1990. The Millennium Declaration (2000) marked similar political commitment for the right to development, including six commitments for promotion of the human rights. Millennium Development Goal #2 (MDG) of UNDP aims to ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling. Through its impact on employment opportunities and earning potential, education alters the value placed on children and the willingness of parents to invest more in each child's development (ADB-UNICEF, 2010).

11.3.1 Education in India

Education is one of the priorities of the Indian government. India's commitment to provide for and ensure Universal Elementary Education for all children up to the age of 14 has been reiterated time and again. The Kothari Commission (1964-1966), the Acharya Ramamurthy Committee (1990), the Prof. Yash Pal Committee (1993), the Saikia Committee (1997) have all emphasized the need for free and compulsory universal elementary education (UEE) and quality education. The Right of Children to Free and Compulsory Education Act, 2009 guarantees to all children within the age-group of 6-14 years the right to education in proper schools with trained teachers.

Box 11.1: Some Noteworthy Government Initiatives

Sarva Shiksha Abhiyan (SSA): In order to promote EFA goals in effective manner SSA was started in 2001. It aimed to: a) provide education to children between 6–14 years by 2010 — 5 years of primary education by 2005 and 8 years of schooling by 2010; b) bridge all gender and social gaps at primary level by 2007 and elementary level by 2010; and c) achieve universal retention by 2010.

The program also seeks to open new schools in those habitations which do not have schooling facilities and strengthen existing school infrastructure through provision of additional classrooms, toilets, drinking water, maintenance grant and school improvement grants. Existing schools with inadequate teacher strength are provided with additional teachers, while the capacity of existing teachers is being strengthened by extensive training, grants for developing teaching-learning materials and strengthening of the academic support structure at a cluster, block and district level. SSA seeks to provide quality elementary education including life skills. SSA has a special focus on girl's education and children with special needs. SSA also seeks to provide computer education to bridge the digital divide.

Mid-day meals: With a view to enhancing enrollment, retention and attendance and simultaneously improving nutritional levels among children, the National Programme of Nutritional Support to Primary Education (NP-NSPE) was launched. The objectives of the mid-day meal scheme are:

- Improving the nutritional status of children in classes I-V in Government, Local Body and Government-aided schools, and EGS and AIE centers.
- Encouraging poor children, belonging to disadvantaged sections, to attend school more regularly and help them concentrate on classroom activities.
- Providing nutritional support to children of primary stage in drought affected areas during summer vacation.

Mahila Samakhya: The Mahila Samakhya Scheme was started in 1989 to translate the goals enshrined in the NPE into a concrete programme for the education and empowerment of women in rural areas particularly those from socially and economically marginalized groups. This scheme recognizes the centrality of education in empowering women to achieve equality. The *Mahila Sanghas* or women's collectives at the village level provide the women a space to meet, reflect, ask questions and articulate their thoughts and needs and make informed choices.

Saakshar Bharat was launched on 8 September 2009. It aims to recast India's National Literacy Mission to create a literate society through a variety of teaching-learning programmes for non-literates and neo-literates of 15 years and above. It strives to increase the literate population by 70 million adults, including 60 million women. Women being the prime predominant participants, the entire programme will be given gender treatment. The gender, social and cultural barriers that women face will be taken into consideration while designing teaching-learning programmes. *Lok Shiksha Kendra* (Adult Education Centre) established in Panchayats will act as a centre for registration of learners for all teaching-learning activities in their jurisdiction.

Rashtriya Madhyamic Shiksha Abhiyan (RMSA) launched in March 2009 seeks to enhance access to secondary education and improve its quality as well. The objective is to achieve an enrollment ratio of 75 percent for classes IX-X within 5 years by providing a secondary school within a reasonable distance of every habitation, to improve quality of education imparted at secondary level through making all secondary schools conform to prescribed norms, to remove gender, socio-economic and disability barriers, to universalize access to secondary level education by 2017, i.e. by the end of 12th Five Year Plan and universal retention by 2020.

11.3.2 Issues of Concern

Despite the noteworthy initiatives, educational issues continue to persist as an impediment to development. Under the EFA (Education for All) Global Monitoring Report, India has been placed among one of 30 countries that are likely to miss all or some of the 2015 EFA targets. India still accounts for 30 per cent of the world's population that has no access to literacy, with 70 per cent of them being women. It means, India is unlikely to achieve the Dakar target of reducing illiteracy by 50 per cent by 2015. A study entitled 'A Civil Society Report on Monitoring Right to Education in India' has drawn attention to issues such as lack of access and poor state of educational infrastructure hindering the process of universalization of primary education.

Box 11.2: A Civil Society Report on Monitoring Right to Education in India in the States of Andhra Pradesh, Bihar and Orissa

- Around 23.5 per cent of children in Bihar and 18 per cent in AP have to cover more than 1 km to reach primary school.
- Situation of accessibility for upper primary level students is even worse with access of 27 per cent and 42 per cent in Orissa and Bihar respectively.
- More than half of the total girls enrolled are in schools with no provision for separate toilets; Orissa faring worst with 74 per cent of such girls' enrollment.
- Majority of the students, despite availability of furniture, are forced to sit on floors.
- Of the total sample, around 24 per cent students enrolled in elementary stream are excluded from the Mid-Day Meal facility.
- Poverty and economic backwardness were the most commonly cited reasons for the children who remain out-of-school; the condition being especially worse in case of SC/ST across all the states and Muslims in Bihar.
- Lack of participation among parents in the decision-making at the village and school level is a major reason for inefficacy of government programmes in education. Around 34 percent parents of the students surveyed have never visited the school where their children are studying. The situation is particularly worse for STs and Muslims. This is not to say that the parents are not interested but numerous focused group discussions held during the study revealed that participation of parents in school management is not welcome by the school authorities.
- The lack of access is also manifested in terms of out-of-pocket expenditure incurred by the parents for their child's education. The figures are especially high in Orissa, major chunk being incurred on school uniform, books and stationery. This is a stark evidence of non-adherence to the very principle of the 'Right to Education' which entitles every child to free education. The state of affairs demands immediate action given the poor economic condition of the sample households. Even the recently published audit report on SSA by the CAG of India emphasizes 'lack of affordability' as the primary reason for non-enrollment and dropout at the elementary level.

Source: Mishra Yamini. 2007. 'Education for All' Not Necessarily!. New Delhi: Centre for Budget and Governance Accountability (CBGA). Also See www.cbgaindia.org/press_releases.php?id=6.

Teacher absenteeism is another serious area of concern. Various studies have shown that at any given time, 30 percent of teachers at government schools were absent from their classrooms. While the RTE mandates the number of teaching hours per year, it does not address the lack of accountability on the part of the teacher or the system if the mandated number of hours is not actually provided. The absence rate of students was also high. The incentives for going to school were not apparent. Despite the government's decree on compulsory education

and the child labour ban, an estimated 30 million children were out of school to go to work. Other problems include discrimination on caste basis, violence and abuse of children, and discrimination against girls. The latter is not often overt but a result of certain existing situations. For example, findings of a study revealed that 27 percent of schools did not have even one female teacher, resulting in a lack of confidence on the part of parents, especially of older girls. Fifty per cent of schools did not have separate toilets for girls. Given the dismal situation, the study estimated that for every 100 girls who enrolled in school in rural India, 40 would reach Class IV, 18 would reach Class VIII, nine would reach Class IX, and only one would make it to Class XII. The dropout ratio among schoolchildren reflects inequalities between social groups as well a strong gender bias against girls. In India, girls and women within the age group of 15 to 24 years are twice as likely to be illiterate as men in that group. The gender gap is an important issue in the literacy landscape of India (Institute for Human Development, 2010).

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

1) Explain MDG # 2.

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2) What are the objectives of mid-day meal scheme?

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3) What do you understand by gender bias in education?

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11.4 HEALTH ISSUES IN DEVELOPMENT

Health, as World Health Organization (WHO, 2006) defines it, is more than just the absence of disease. It is a state of complete physical, mental and social well-being. There is both direct and indirect relationship between health and development. The state of health contributes to the realization of other developmental objectives such as economic development, labour productivity, growth, responsiveness to innovation, and future-orientedness. Economic development tends to improve health status, while better health contributes to economic development. Health has a direct association with labour productivity. Illness and malnutrition lead to loss of strength and energy and productive capacity which ultimately has a negative effect on labour income.

Box 11.3: Goals agreed upon at the United Nations Conferences for selected Basic Social Services for All (BSSA) indicators

Access to health services

- All countries should seek to make primary health care, including reproductive health care, available universally.
- Governments should promote full access to preventive and curative health care to improve the quality of life, especially by the vulnerable and disadvantaged groups, and in particular women and children.
- Governments should provide more accessible, available and affordable primary health-care services of high quality, including sexual and reproductive health care.

Family planning

- All countries should seek to provide universal access to a full range of safe and reliable family-planning methods.

Underweight prevalence among preschool children

- By the year 2000, a reduction of severe and moderate malnutrition among children under five years of age by half of the 1990 level should be achieved.

Maternal mortality ratio

- Countries should strive to effect significant reductions in maternal mortality by 2015: a reduction in maternal mortality by one half of the 1990 levels by the year 2000 and a further one half by 2015.

Infant mortality rate

- By the year 2000, reduction of mortality rates of infants by one third of 1990 level should be attained. By 2015, an infant mortality rate below 35 per 1,000 births should be achieved.

Under-5 mortality rate

- Countries should strive to reduce their under-5 mortality rates by one third or to 70 per 1,000 live births, whichever is less, by the year 2000. By 2015, all countries should aim to achieve an under-5 mortality rate below 45 per 1,000.

Life expectancy at birth

- By the year 2000, life expectancy of not less than 60 years should be achieved in every country.
- Countries should aim to achieve by 2005 a life expectancy at birth greater than 70 years by 2015 a life expectancy at birth greater than 75 years.

Source: United Nations. 1997. *United Nations Basic Social Services for All.* United Nations: New York. http://www.un.org/esa/population/pubsarchive/bss/bssgoal.htm.

The Millennium Declaration by the United Nations in September 2000 has accepted health in general and health care of women and children in particular as important component of development. Among the eight Millennium development goals, three goals are related to health. These are: reduction in child mortality, improvement in maternal health, and combating HIV/AIDS, malaria and other diseases (IGNOU, 2010).

11.4.1 Health Programmes in India

The first National Health Policy in 1983 aimed at achieving the goal of 'Health for All' by 2000 AD, through the provision of comprehensive primary healthcare services. It stressed the creation of an infrastructure for primary healthcare; close co-ordination with health-related services and activities (like nutrition, drinking water supply and sanitation); the active involvement and participation of voluntary organisations; the provision of essential drugs and vaccines; qualitative improvement in health and family planning services; the provision of adequate training; and medical research aimed at the common health problems of the people. The revised National Health Policy, 2002 aimed to achieve an acceptable standard of good health among the general population of the country, reduce inequities and allow the disadvantaged sections of society a fairer access to public health services. The National Rural Health Mission (NRHM) initiated in 2005 promises to provide universal access to equitable, affordable and quality healthcare, which is accountable and at the same time responsive to the needs of the people, especially of those who are marginalized and live in rural areas. The key objectives of the Mission are reduction in child and maternal deaths, population stabilization and gender and demographic balance. The processes set to achieve the objectives of the Mission will help accomplish goals under the National Health Policy (NHP) and the Millennium Development Goals (MDGs). The National Urban Health Mission (NUHM) focuses on the healthcare needs of the urban poor, particularly the slum dwellers in urban areas.

Box 11.5: Important Health Programmes in India

- *Reproductive and Child Health Programme (RCH)* to improve mother and child health was initiated to address major factors contributing to high IMR, under-five mortality and maternal mortality.
- *Universal Immunization Programme (UIP)* to immunize infants against tuberculosis, diphtheria, pertussis, poliomyelitis, measles and tetanus.
- *National Polio Surveillance Programme (NPSP)* to prevent paralytic illness due to polioviruses.
- *The Oral Rehydration Therapy Programme (ORT)* to prevent deaths due to dehydration caused by diarrhoeal diseases among children under 5 years of age due to dehydration.
- *National AIDS Control Programme (NACP)* is a centrally sponsored scheme implemented through State AIDS Control Societies.
- *National Anti-Malaria Programme (NAMP)* for Early Case Detection and Prompt Treatment (EDPT) to provide relief to the patient, and reduce reservoir of the infection, Selective Vector Control and Promotion of personal prophylactic measures.
- *National Tuberculosis Control Programme (NTCP)* for case detection among patients spontaneously attending health facilities and ensuring adequate drug supply.

Source: http://www.searo.who.int/en/Section313/Section1519_10857.htm.

11.4.2 Health Scenario: Status and Trends

The health scenario, particularly the status and trends presented below will inform us of the health issues that impinge upon the development in general.

11.4.2.1 Health Care Services

In India, public sector has a critical role in ensuring healthcare delivery to all the sections of the society. According to our Constitution, it is the primary duty of the government to ensure the welfare of the people and provide health care facilities to all. The government must safeguard the Right to Life of every person. It provides public health services through chain of health centers and hospitals run by the government. They cover both rural and urban areas and provide treatment to all kinds of problems – from common illnesses to special services. The health service is called 'public' for many reasons. In order to fulfill its commitment of providing healthcare to all citizens, the government has established these hospitals and health centers. Also, the resources needed to run these services are obtained from the money that we, the public, pay to the government as taxes. Hence, such facilities are meant for everyone. One of the most important aspects of the public health system is that it is meant to provide quality healthcare services either free or at a low cost, so that even the poor can seek treatment. Another important function of public health is to take action to prevent the spread of diseases such as TB, malaria, jaundice, cholera, diarrhoea, chikungunya, etc.

At the village level there are health centers where there are usually a nurse and a village health worker. They are trained in dealing with common illnesses and work under the supervision of doctors at the Primary Health Centre (PHC). Such a centre covers many villages in a rural area. At the district level is the District Hospital that also supervises all the health centers. Large cities have many government hospitals.

India rates poorly on the basic healthcare indicators — when benchmarked against developed economies but also against other BRIC nations. This can be attributed to the poor healthcare and rural disparity infrastructure reflected in the low bed-density ratio, low doctor-density ratio, and poor healthcare spending.

Table 11.1: Basic Healthcare Indicators

Indicator	Year	India	US	UK	Japan	Brazil	Russia	China
Life expectancy at birth (years)	2008	64	78	80	83	73	68	74
Infant mortality rate (probability of dying by age 1 per 1000 live births)	2008	52	7	5	3	18	9	18
Maternal mortality rate (per 100000 births)	2000-09	254	13	7	3	77	24	34
Hospital bed-density (per 10000 population)	2000-09	9	31	39	139	24	97	30
Doctor-density (per 10000 population)	2000-09	6	27	21	21	17	43	14

Source: KPMG. 2010. *Healthcare: Reaching out to the Masses.* kpmg.com/in

Healthcare penetration has for a long been concentrated in urban areas such as Mumbai, Delhi, Chennai and Kolkata and other Tier-I cities. While 70 percent of the Indian population lives in semi-urban and rural areas, 80 percent of the healthcare infrastructure is built in urban areas.

Some alarming facts about status of healthcare infrastructure in rural areas vis-à-vis urban areas are:

- Rural doctors to population ratio is lower by six times.
- Rural beds to population ratio is lower by 15 times.
- Seven out of ten medicines in rural areas are substandard / counterfeit.
- Sixty six percent of the rural population lack access to critical medicine
- Thirty one percent of the rural population travels for over 30 kilometers for medical treatment.

The primary reasons for under-developed infrastructure in the semi-urban cities and rural areas are poor healthcare expenditure by the government, lack of investment incentives for private sector investment, inefficiencies in the public human resource pool and supply and distribution infrastructure.

The primary healthcare infrastructure has a three-tier system with Sub-Centers, Primary Health Centers (PHCs) and Community Health Centers (CHCs) spread across rural and semi-urban areas. The Sub-Center is the most peripheral contact point between the Primary Healthcare System and the community. Hence, manpower is an important prerequisite for the efficient functioning of this set-up. The tertiary care comprising multi-specialty hospitals and medical colleges are located in almost exclusively in urban regions (KPMG, 2010).

Table 11.2: Primary Healthcare Infrastructure

Facilities: Number of health centres	**Available data**	**Year**
Sub-Centres	137371	2001
Primary Health Centres	22842	2001
Community Health Centres	3043	2001

Source: http://www.searo.who.int/en/Section313/Section1519_10857.htm

11.4.2.2 Mortality

Mortality rates are largely used as indicators of health development by different nations, and by agencies involved in assessing and promoting health care. The definition and calculation of maternal mortality rate and infant mortality rate is given in the keyword at the end of the unit.

There have been considerable efforts to reduce *under-five mortality* rates in the country. UNICEF estimated that in India, in 2009, children under 5 mortality rate was 66 per thousand. In 1990, Indian children under 5 mortality rate was 118 per thousand (The Hindu, 2010). *Infant Mortality* in India has declined significantly from 57 per thousand live births in 2006 to 53 per thousand live births in 2008 (India Current Affairs, 2011). The target for MDG 2015 is 27 per 1000 live births. Indian *maternal mortality ratio (MMR)* fell from 570 per

1,00,000 births in 1990 to 230 in 2008. The target for MDG 2015 is 109 maternal deaths per 100,000 live births (Economic Times, 2010).

11.4.2.3 Morbidity

The number of people suffering from various diseases is also used as indicators of health. The WHO has devised a new parameter to assess the global burden of diseases called Disability Adjusted Life Year (DALY). DALY is a time-based measure that combines the year of life (YLL) due to premature mortality and years of life with disability (YLD) or years of life lost due to time lived in states of less than full health.

India is burdened with a larger HIV/AIDS epidemic than any other country in the world. It accounts for almost 13 percent of the 40 million people living with HIV/AIDS globally and over 69 percent of the 7.4 million people living with HIV/AIDS in the Asia and the Pacific region in 2003. Malaria was almost eradicated by mid-sixties but has staged a comeback thereafter. About 6.47 million malaria cases were reported in 1976, the highest since resurgence. The country has been able to contain malaria incidence of 2 to 3 million cases annually since 1984 in spite of increased population at the rate of 2.1 percent annually. India accounts for one-third of global TB and has more TB cases than any other country in the world. About 40 percent of the Indian population is infected with TB bacillus. Every year about 2.2 million persons are added to the existing load of about fifteen million active TB cases; of these, about 800,000 are smear positive (infectious), and about 450,000 die. Since TB is one of the important opportunistic infections of HIV, it is feared that deaths due to TB can go up to four million in the next decade if not controlled. According to WHO (2001) in recent years, morbidity which is receiving more attention is mental disorders (IGNOU, 2010a).

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

4) Name 3 MDGs that are related to health.

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5) Describe primary health care infrastructure.

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6) What is DALY?

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11.5 NUTRITIONAL ISSUES IN DEVELOPMENT

The development policies since 1990s have explicitly emphasized three-fold principles. *First,* economic growth, that deliberately involves participation of the poor, is the long-term solution to poverty. *Second,* social security is required to maintain a basic level of living ("safety net") for the poor; sustained access to adequate food ("food security") is a central feature of this. *Third,* development of human resources is an essential underpinning of the first two (United Nations, 1991).

Nutrition is an *outcome*, a result of access to food, dietary intake, health and care of the individual. It is also a precondition to the development of human resources; fulfilling most human aspirations as individual development, good health, and self-fulfillment. For societies and nations, adequate nutrition is required for their function and success. The concerns range from day-to-day meeting of basic needs, including survival especially in infants and children, through lagged effects on performance of individuals and societies, to inter-generational influences notably through women's nutrition.

Poor nutritional status of the individual results usually from a combination of inadequate dietary intake and infectious diseases. Malnutrition is extensive in the world. It implies both under-nutrition including micronutrient deficiencies, and over-nutrition. There is (by definition) no single measure. However, from some widely quoted indicators, we can derive a usable picture. For example, some 150 million children are *underweight*; around 500 million women *anaemic* due to iron deficiency; over 20 million *low birth weight* infants born each year; some 40 million children are estimated to be *vitamin A deficient*, and over 1,000 million people either suffering or at risk of *iodine deficiency*. Such trends are particularly relevant to understand the magnitude of malnutrition. The MDGs, goals proposed by WHO/UNICEF at the World Summit for Children and in a number of international contexts reiterate such aims: to eradicate severe malnutrition, and to reduce mild/moderate malnutrition by half. Such goals can be met only with a great deal of deliberate action.

Box 11.6: Nutrition and the Millennium Development Goals

Goal - 1 Eradicate extreme poverty and hunger: Under-nutrition contributes to dysfunctional societies with individuals too weak, too vulnerable to disease, and too lacking in physical energy to carry out the extraordinarily laborious tasks of escaping the poverty trap. Malnutrition and hunger feed directly into ill-health and poverty.

Goa - 2 Achieve universal primary education: The effectiveness of universal primary education is in part dependent on avoiding the cognitive damage associated with iodine deficiency in pregnancy, iron deficiency in infancy and protein-calorie malnutrition in preschool children.

Goal - 3 Promote gender equality and empower women: Chronic under-nutrition of women and the strong gender bias robs them of control of their lives. There is a link between the empowerment of women and the achievement of MDGs.

Goal - 4 Reduce child mortality, and Goal-5: Improve Maternal Health: Goals 4 and 5 can be achieved only with the elimination of micronutrient deficiencies, such as iodine, vitamin A, folic acid, iron and zinc. Continuing to promote early exclusive breastfeeding and supporting better prenatal care will also help.

Goal - 6 Combat HIV/AIDS, malaria and other diseases: Infectious diseases and malnutrition are synergistic. Nutrition plays an important role in the severity and outcome of infectious diseases and on the effect of infections in precipitating nutritional deficiencies and stunting.

Goal - 7 Ensure environmental sustainability: Nutrition is dependent on food, but food security requires environmentally sustainable food production in terms of sound cropping practices.

Goal - 8 Develop a global partnership for development: Because of the link between malnutrition and poverty there is a need to promote global partnerships for development.

Source: Nevin S Scrimshaw. 2004. 'The SCN and the Millennium Development Goals' in *SCN News #28 July 2004* http://www.unsystem.org/scn/Publications/SCNNews/scnnews28.pdf.

11.5.1 Nutrition Programmes in India

Article 47 of the Constitution of India clearly mentions that state shall regard raising of the nutrition and the standard of living of its people and the improvement of public health as its primary duties. Consequently, several programmes, missions and acts including a National Nutrition Policy (1993), National Nutrition Plan of Action (1995) and National Nutrition Mission (2001) have been formulated with scientific and technological underpinning. Coalition for Sustainable Nutrition Security was initiated in the year 2008 by Professor M. S. Swaminathan. The coalition includes politicians, administrators, scientists, NGOs, international agencies and industries as partners. The nutrition safety net programmes for increasing availability and access to food and nutrition, and improving assimilation (absorption) are elucidated in the box below.

Box 11.7: Nutrition Safety Net Programmes

Increasing Availability of Food

1) Rashtriya Krishi Vikas Yojana – Increased investment in agriculture to increase growth.

2) National horticulture mission — Horticulture production has doubled. However, focus is on income and export, rather than nutrition.

3) National food security mission — Focus is on rice, wheat and pulses.

Improving Access

1) National Rural Employment Guarantee Act (NREGA).

2) Integrated Child Development Service (ICDS) — targeted at preschool children and pregnant and lactating mothers. Supplementary feeding is an important component of ICDS.

3) School Mid-Day-Meal programme (MDM).

4) Annapoorna scheme – 10 Kg food grains to elderly above 65 years.

5) Food Security Act (proposed) — National Food Security Act now being debated in the parliament promises 25 Kg rice or wheat at Rs.3/Kg for families below the poverty line (BPL).

6) Public distribution system — Currently targets BPL population, leaving out a vast segment of undernourished people above the poverty line. The issue of BPL and targeted PDS needs to be revisited from the point of view of nutrition security for all.

7) Micronutrient supplementation programmes like a) anaemia prophylaxis programme (distribution of iron folic acid tablets to pregnant and lactating women, children, and adolescent girls), b) massive dose of vitamin-A programme (administration of 100,000 iu of oral vitamin-A to 1-6 years old children). Linking it with measles immunization and thus netting younger children is being tried.

8) Universal iodization of salt to combat iodine deficiency disease.

Improving Absorption of Nutrients

1) Rajiv Gandhi drinking water mission.

2) Total sanitation programme.

3) National rural health mission (2005). Emphasis is only on disease prevention and mortality. Surprisingly, it does not mention about *nutrition*, without which diseases cannot be prevented.

Source: Indian National Science Academy. 2009. *Nutrition Security for India – Issues and Way Forward. A Position Paper.* Indian National Science Academy, New Delhi. www.insaindia.org/Nutrituion%20security%20position%20paper.pdf.

11.5.2 Nutrition Scenario: Status and Trends

The initiatives as mentioned above have yet to achieve nutrition goals. India's nutritional ranking globally vis-à-vis other countries is also very gloomy. The box below explains clearly the dismal status.

Box 11.8: India's Nutritional Ranking

- India's infant and maternal mortality rates, 80 and 517 respectively, are higher than even the neighbouring countries like Sri Lanka (12, and 60) and Bangladesh (54 and 350).
- Sex ratio including juvenile sex ratio has shown alarming reduction over the years- (964 in 1971, 927 in 2001). This cannot be explained on education or income, because lowest sex ratios are seen in educated and wealthy communities. It shows deep-rooted gender bias.
- India's ranking in Human Development Index (2009) which incorporates life expectancy, adult literacy, and school enrollment and per capita income is 134 out of 182 countries.
- India's ranking in Global Hunger Index is 66 out of the total 88 nations surveyed. The survey is based on child malnutrition, child death rate and less calorie intake. India's position is lesser than Bangladesh and many Sub-Sahara nations.
- India's ranking in Global Gender Gap Index is 113 out of 130 countries. It takes into consideration, Political empowerment (rank 25), Education attainment (rank 116), Health and survival (rank 128).

Source: Indian National Science Academy. 2009. *Nutrition Security for India–Issues and Way Forward. A Position Paper.* New Delhi: INSA. See www.insaindia.org/ Nutrituion%20 security%20position%20paper.pdf.

Malnutrition is seriously and adversely impacting the country's development and health care expenditure. Almost 60% of deaths due to major infectious diseases are caused by coexistence of under nutrition. In India, 36% deaths and 42% DALYs lost are due to communicable diseases, perinatal and maternal conditions and nutritional deficiencies. Lifestyle and environment-related diseases like obesity, diabetes, hypertension, cardio-vascular disease, and cancers are also increasing. The magnitude of double burden of under-nutrition and over-nutrition is elucidated in the box below.

Box 11.9: Magnitude of the Double Burden of under-nutrition and over-nutrition

According to the findings of a National Family Health Survey (2005-06):

- The prevalence of low birth weight (LBW) is nearly 30%.
- About 55% of preschool children are under-weight (weight for age), and 50% stunted (weight for height).
- Micronutrient deficiencies, mainly iron deficiency anemia (70% in women and children), iodine deficiency disorders, and vitamin-A deficiency continue to be public health problems, though prevalence of goitre has declined and blindness due to vitamin-A deficiency has been

eliminated. B-vitamins deficiencies (riboflavin, folic acid and B12) are common. Despite tropical sunlight, reports of vitamin-D deficiency in adults and children are appearing. Osteoporosis in women, perhaps due to calcium and vitamin D deficiencies has become a public health problem.

- There are marked interstate variations with some of the southern states mainly Kerala and Tamil Nadu, which were traditionally better, are continuing to be better than states like Bihar, Madhya Pradesh, Uttar Pradesh, Rajasthan and Orissa.

Surveys of the National Nutrition Monitoring Bureau reveal that:

- Overweight and obesity are increasing; 7.8% men and 10.9% women are overweight.
- A fourth of Indian adults have hypertension.
- 5-6% has impaired glucose tolerance or diabetes.
- Cereal-pulse based Indian diets are qualitatively deficient in micronutrients, particularly iron, vitamin-A and riboflavin (hidden hunger). There has been substantial erosion of millets production and consumption over time.
- More than 70% of preschool children consume less than 50% Recommended Dietary Allowance (RDA) of iron, vitamin-A and riboflavin.
- The rising trend in obesity can be attributed to shift from traditional diets which were bulky, had low energy density, were slowly digested and had high protein, low fat, unsaturated fats, and complex carbohydrates-fiber.
- Burden of infectious diseases is very high in India due to poor environmental sanitation, water scarcity, particularly potable water, and poor personal hygiene.
- Life-style related factors contribute substantially to malnutrition (often over nutrition) and chronic diseases. Migration, urban-rural living, work environment, loss of sleep, abuse of alcohol, tobacco, recreational drugs, etc which lead to stress.

Source: Indian National Science Academy. 2009. *Nutrition Security for India–Issues and Way Forward. A Position Paper.* New Delhi. INSA. See www.insaindia.org/ Nutrituion%20 security%20position%20paper.pdf.

The reasons for poor nutritional status are as follows (Indian National Science Academy, 2009):

1) Nutrition is a poor cousin even in health and agriculture planning and execution;

2) Nutrition improvement is not a stated goal with measurable parameters for monitoring in missions like National Food Security Mission, National Horticulture Mission and National Rural Health Mission, except those aimed at income, sanitation and drinking water in particular;

3) Top-down approach without sensitizing the community and making them partners in planning and execution;

4) Poor targeting, accountability and governance;

5) Inadequate importance to nutrition in school, college and even professional (health, agriculture, social science) education;

6) Neglect of women and children's health and education.

7) Vertical programmes with poor convergence and synergy between functioning of ministries and departments.

Nutrition Security implies physical, economic and social access to balanced diet, clean drinking water, safe environment, and health care (preventive and curative) for every individual. Without nutrition, neither communicable nor non-communicable diseases can be prevented and hence it should have an important status as an independent entity.

Access at affordable cost to balanced diet at household and individual level, knowledge of right feeding practices, clean environment and safe drinking water, and health care outreach — primary and curative — should be made available to all, particularly those below poverty line. Education and awareness are needed to utilize these services. Education, particularly of women is important for optimum utilization of the available services and creating demand. All planning and execution should be done with community participation and involvement of trained nutrition leaders from the community. There should be more scientific dialogue and interaction between and among nutrition scientists, scientists belonging to agriculture, medicine, public health, and basic sciences and social scientists.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

7) Name nutrition safety net programmes related to improving access to food.

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8) Explain micronutrient deficiency.

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9) What do you understand by the term Nutrition Security?

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11.6 GENDER ISSUES IN DEVELOPMENT

Like race, ethnicity and class, gender as a social category shapes and establishes one's life chances in society and development. The term *gender* refers to a set of roles, attributes behaviours expected from women and men by their societies. *Gender relations* represent the ways in which the *socially constructed* categories of women and men relate over a wide range of social interactions within family, community as well as in all economic and political relations in a given society. Gender relations are institutionally constructed. It creates and reproduces systemic differences in the positioning of women and men in the society. Rules, norms and practices of gender relations have a strong ideological content as it reflects the normative or prescriptive version of female and male roles. As gender relations are constituted in terms of relations of power and dominance; therefore, the nature of gender relations is one of opposition and conflict and often takes the form of male dominance and female subordination (Pant and Farrell, 2007).

Gender is a salient factor in participation and representation in development processes; both women and men need to actively participate. The nation-states world over guarantee all its citizens the right to equality. The criteria of equality between sexes afford women the right to participate and represent without any discrimination. But, do women really participate equally with men? Women and men do not have equal social, economic and legal rights. Women still lack

independent rights to own land, manage property, conduct business or even travel without the husband's consent. Women continue to have poor command over a range of productive resources including education, land, information and financial resources. Limited access to resources and weaker capabilities constrain women's power to influence resource-allocation and investment decisions at home, in their community and at national level. Women remain vastly underrepresented in national and local government (Pant and Farrell, 2007). A close look at the recent gender development indicators in India reveals disadvantaged positions of women (See Box 11.10).

Box 11.10: Gender Development Indicators in India

Sex Ratio

- The sex ratio is 933 women per 1000 men according to the 1991 Census. (The world average is 990 women per 1000 men).
- The sex ratio of the 0-6 age group has declined sharply from 945 in 1991 to 927 in 2001.

Health and Nutrition

- In rural India almost 60 per cent of girls are married before they are 18. Nearly 60 per cent of married girls bear children before they are 19. Almost one-third of all babies are born with low birth weight. 80 per cent of women are anaemic.
- Maternal mortality is estimated to be 385-487 per 100,000 live births. Close to 125,000 women die from pregnancy and pregnancy-related causes each year.
- Social restrictions on women's mobility also contribute to lesser healthcare for women and children. For example, 90 per cent of married women in Uttar Pradesh and Jammu and Kashmir and about 80 per cent in Bihar, Madhya Pradesh, Rajasthan, Haryana, West Bengal, Andhra Pradesh and Assam need permission to visit even friends and relatives.
- Women's health tends to be viewed narrowly as reproductive health, whereas many factors need to be considered. For instance, communicable diseases are more of a threat to women than pregnancy. Tuberculosis and not pregnancy is the leading cause of death of women in the reproductive age group followed by burns and suicides.

Water and Sanitation

- Only 62.3 per cent of Indian households have access to safe water — 81.4 per cent urban and 55.5 per cent rural households. This means that women spend a considerable amount of time carrying water from distant wells and other sources, adding to women's burden.
- Access to sanitation facilities is a special problem for women and girls, given the social emphasis on privacy and seclusion. Having to go out exposes them to harassment. Women and girls living in urban slums are particularly affected. Public toilets for females are few. Even many schools do not have toilets for girls and women teachers.

Education

- 53.67 percent of women are literate as compared to 75.26 per cent of men.
- Fewer girls go to school. Fewer girls are in school for more than ten years. Dropout rate amongst girls is high. More than 50 per cent girls dropout by the time they are in middle school.

Employment

- Work participation rate of women is 25.6 percent as compared to 57.9 percent men. Only 4.83 percent of them, compared to 23.20 percent men, are in organized sector. Women generally work in unorganized informal sector, in piece-rate and subcontracting work. They earn a far lower wage than men doing the same work.

Political Participation

- They are underrepresented in governance and decision-making positions. For instance, there are about 72 women in Parliament as against 712 men. There are 725 women compared to 1997 men in Panchayati Raj Institutions.

Social Status

- Violence, both outside and within the household, is a grim reality of women's lives. Between 1990 and 1996 crimes against women grew by 56 per cent. Cruelty to wives comprised 28 per cent of all crimes in 1996.
- The extent of trafficking in women is unknown. However, one official study admits to 100,000 prostitutes in six metro cities. Of these, 15 per cent are girls below the age of 15. Cross-border trafficking is common.
- According to the National Sample Survey Organization figures, one out of ten households is headed by a woman. Women-headed households include widows, deserted and divorced wives and single women. They tend to be among the poorest households in the country.

Source: Madhok Sujata. 2008. 'Women: Background & Perspective' in *InfoChange women, News and Analysis on Social Justice and Development Issues in India*. Pune. See http://infochangeindia.org/women/backgrounder/ — Accessed in July 2011.

11.6.1 Factors Constraining Participation of Women in Development Processes

A noteworthy factor responsible for non-participation of women is *unequal gender relations*. Gender relations and power distribution between the sexes in both the private (personal) and public spheres create gender inequalities. Unequal gender relations, reproduced across the range of inter-related institutions such as household, community, market and state, mediate the construction of gender identities and synergistically determine the capacities to exercise independent agency. Such relationships determine and influence the ways the resources, roles and responsibilities are allocated; values are assigned and power is mobilized. Without any sense of power, whatsoever, their participation in decision-making is generally minimal not only in political sphere but also at home and within the community.

Private-public divide associated with women and men have always hindered women to negotiate in the public domain. The private domain is associated with household, reproductive work and femininity, whereas, the public domain is associated with political authority, public decision-making, productive work and masculinity. Women are either being criticized for their inadequacies or patronized by men.

Autonomy of women in family/household also influences their status and ability to participate in governance. Development policies often conceptualize altruist, conflict-free, harmonious households where production, income and consumption are equally shared. Empirical studies, on the contrary, have shown that far from being a unit where all resources and benefits are pooled and shared equitably, the use of resources and labour, distribution and output, have to be constantly negotiated within the households. Intra-household relations are often conflictive. The bargaining power is derived from options available to household members, the perceptions of contributions by members to the household prosperity and the degree to which members identify their self-interests within their personal well-being. Although, the private domain of household is typically associated with women, men are held responsible for the welfare and safety of all members. Women's bargaining power at the household is restricted typically due to lack of access and control over resources, no autonomy in decision-making, low self-esteem, low skills and education, restricted physical mobility and eventually less power as compared to men.

Other intersecting hierarchies such as *class, caste, ethnicity, religion, and rural/urban locations* further complicate gender inequality. In India, for example, women face hurdles posed by patriarchy, caste and class when they enter political domain. Women from low caste groups, despite reservations, seldom wielded any real political power due to the strongly entrenched notions of caste and gender hierarchy. Studies have also shown that women elected representatives with no economic entitlements were often under the control of those who owned and controlled resources (usually males). Consequently, dependency curbed their independent decision-making powers.

The existence of persistent discrimination against women and inequality between women and men requires that engendering governance strategies by and large complemented with targeted interventions on women's empowerment. Definition of empowerment ranges from increasing choices available to and capacities of women to transforming the power structures of society. It is assumed that by increasing women's choices, capacities, decision-making power, women's right and gender equality can be realized at all levels of decision-making (Pant and Farrell, 2007).

11.6.2 Gender Mainstreaming in India

The concept of bringing gender issues into the mainstream of society has been clearly established as a global strategy for promoting gender equality in the development agenda. Mainstreaming is not just about adding a "women's" component into an existing activity. Mainstreaming brings together the experience, knowledge and interests of both men and women to build upon the development agenda. Gender mainstreaming requires that all policy, planning, implementation and resource allocation reflect the interests and the views of both women as well as men.

Before the Decade for Women, development essentially had a *welfare* approach, addressing the practical needs of women surrounding their reproductive role through delivery of food, family planning, health care, etc. The *Women in Development (WID) approach,* ushered in during the Decade for Women, was initially conceived as an *equity* approach. This approach recognized women's active role in the development process as reproductive, productive and community workers, and emphasized the fulfillment of their strategic needs through direct state intervention. However, due to its political nature, this approach was not very acceptable to governments, and was soon replaced by an *anti-poverty approach.* The *efficiency approach* sought to enhance women's contribution to the development process in order to ensure the efficiency and effectiveness of project interventions, albeit it tended to assume that women's time and energy are elastic. The *empowerment approach* considered women's improved condition and position to be the ends in themselves. It focused on meeting women's strategic needs focusing on a bottom-up, self-reliant approach. The equity and empowerment approaches together labelled as *Gender and Development (GAD) approaches* because of their emphasis on strategic needs. *GAD* changed the focus and interventions from women as a target group to gender analysis of women and men's roles and relations as part of all development interventions, and to gender equality as a goal of development. More recently, a *rights-based approach* sets the achievement of human rights and the creation of an enabling environment in which human rights can be enjoyed as the main objectives of people-centered sustainable development, as well as the means to achieve it. In this way, a *rights-based approach transcends sectoral concerns, and encompasses the concepts of welfare, anti-poverty, equity* and *empowerment as facets of the rights of all people.*

The UN summits on the environment, social development, human rights and population brought issues of women's rights to the forefront of international development debates. A major breakthrough was in getting women's rights on to the mainstream human rights agenda. Women's movements across the world mobilised and organised in the build-up to the Vienna Human Rights Conference in 1993. The recommendations made by women's rights groups were included in the Vienna declaration and Programme of Action. The mobilization on rights continued in Cairo's conference on Population and Development in 1994. The Beijing conference saw major advances in pursuing women's rights commitment. It took forward the Cairo agenda and crystallised the core rights issues: equal rights in law, entitlement to productive resources, right to education and health, equal right to representation in decision-making, security and freedom from violence. The Beijing Platform for Action, 1995 (BPFA) provides the comprehensive mandate for governments to ensure that gender equality and women's empowerment are actively addressed as core development concerns. It clearly mentions that without the active participation of women and incorporation of the perspectives of women in all levels of decision-making, the goals of equality and development cannot be achieved. The BPFA became the basis for civil society advocacy. Many NGOs and civil society groups used the policy recommendations and agreements to lobby with their own governments.

Complementing the BPFA is the Convention on the Elimination of Discrimination against Women (CEDAW). It is one of the most important international human rights instruments having a legal binding. These two mandates have informed the most recently proposed Millennium Development Goal (MDGs) that resolves to promote gender equality and women's empowerment to combat poverty, hunger, and disease and to stimulate sustainable development.

Achieving equal participation in decision-making and governance is a high priority according to the recommendations of World Summit on Social Development. Addressing gender issues in governance requires states to create space for women to participate at all levels. Its recommendations are consistent with other International agreements such as Agenda 21. Agenda 21 is a comprehensive plan of action to be taken globally, nationally and locally by organizations of the United Nations System, Governments, and Major Groups in every area in which human impacts on the environment. It represents a *global consensus and political commitment at the highest level* on socio-economic development and environmental cooperation. One of its commitments is allowing people to participate in decision-making at all levels; particularly empowering women and increasing their participation in decision-making (Commonwealth Foundation, 2004).

Gender mainstreaming in India emerged in the early 1980s as a concern of the women's movement to move women's issues from the periphery to the centre of development decision-making. The Eighth Plan (1992-97) spoke of the need to ensure a definite flow of funds from the general development sectors to women. The Ninth Plan introduced the Women's Component Plan to ensure that 30% of funds/benefits under various welfare and developmental schemes were to be earmarked for women. The Tenth Plan reaffirmed the major strategy of mainstreaming gender perspectives in all sectoral policies, programmes and plans of action. Women specific interventions are undertaken to bridge existing gaps.

India's commitment to gender equality is further evidenced by the fact that it is a signatory to Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), which was ratified on 25-6-1993. The aim of the National Policy for the Empowerment of Women (2001) and the Tenth Plan has been to bring about social change — changes in attitudes towards women and women's empowerment. The effort is to bring gender justice and make *de jure* equality into *de facto* equality. Among the most significant achievements of the decade has been the reservation of one-third of the seats for women elected as representatives in Panchayats and urban local bodies through the 73rd and 74th Constitutional Amendments. This has brought about a million women into positions of decision-making and has contributed significantly to the political empowerment of women (Pant and Farrell, 2007).

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

10) What do you understand by the term 'gender relations'?

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11) How does private-public divide affect women's access to development processes?

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12) What is gender mainstreaming?

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11.7 ISSUES OF MARGINALIZATION AND EXCLUSION IN DEVELOPMENT

Marginalization refers to the process of becoming or being made marginal (especially as a group within the larger society). Individuals and groups are often ignored or relegated to the sidelines of political debate, social negotiation, and economic bargaining and are kept there. Marginalization combines discrimination and social exclusion.

Exclusion is a process through which certain segments of the population are wholly or partially kept out of social interaction; or cast-out from full participation in the society within which they live. Caste, class, gender, sexual orientation, disability, age, language, employment status, migrant status, HIV status, educational status, skill, race, and religion are some of the criteria that marginalize and exclude people. Discrimination occurs in public institutions, such as the legal system or education and health services as well as social institutions like the household (Department for International Development, 2005).

Box 11.11: The Most Vulnerable Marginalized and Excluded Groups

The marginalized and excluded groups share a sense of collective identity and common burdens. These groups include the following.

- ***Women*** are, in general, always marginalized relative to men, in every country and culture. They don't present a homogeneous category in terms of common interests, abilities, or practices. Women belonging to lower classes, lower castes, illiterate, and the poorest regions have different levels of rnarginalization than their better-off counterparts.
- ***People with disabilities*** battle against biased assumptions, stereotypes, and irrational fears. The stigmatization results in the social and economic marginalization.
- ***Minority*** include any group that is considered subnormal with respect to a dominant group, in terms of social status, education, employment, wealth, political power and religion. It is not necessarily a numerical minority. It suffers from discrimination and subordination.
- ***Caste*** system is a strict hierarchical social system based on underlying notions of purity and pollution. Brahmins are on the top of the hierarchy and Shudras or *Dalits* constitute the bottom of the hierarchy. The marginalization of *Dalits* influences all spheres of their life, violating basic human rights such as civil, political, social, economic and cultural rights.
- ***Tribes*** are marginalized across nations, whether it is advanced countries like the USA, Australia or the developing and underdeveloped countries in Asia and Africa. In India, the Scheduled Tribes are socially and economically disadvantaged. They are mainly landless with little control over resources such as land, forest and water. They constitute a large proportion of agricultural labourers, casual labourers, plantation labourers, industrial labourers, etc. This has resulted in poverty, low levels of education and poor access to health care services among them.
- ***Elderly*** are the most neglected group of population. Children of elderly in many families consider expenditure on care for elderly such as on their health and nutrition as wastrel investment. The stereotypes, that the old age people are usually subject to such kind of illness, add further to their neglect.

Source: IGNOU. 2010. "Unit 3 Marginalization" in *Block 4 Development Imperatives.* MEDS-002 Dynamics of Extension and Development. See http://www.egyankosh.ac.in/bitstream/123456789/34923/1/Unit3.pdf.

11.7.1 Types of Marginalization and Exclusion

There are various types of marginalization and exclusion. As we have mentioned elsewhere above, marginalization subsumes both discrimination and social exclusion. We will discuss the types of marginalization below.

11.7.1.1 Social Marginalization

Marginality is both ascribed and acquired in a social setting. The experience of marginality arises in a number of ways. People who are severely impaired from

birth, or are born into marginal groupings (e.g., lower castes in India, members of ethnic groups, nomads), experience life-long marginality. For others, marginality is acquired by later disablement or by changes in the social and economic system. For instance, communities are dispossessed of lands, livelihoods, or systems of social support due to development policies.

Socially marginalized people are by and large deprived of social opportunities. They become stigmatised and are often at the receiving end of negative public attitudes. Their opportunities to make social contributions may be limited, and they may develop low self-confidence and self-esteem. They have relatively limited access to valued social resources such as education and health services, housing, income, leisure activities and work.

Another problem is that people born in a marginalized community lack the required social and cultural capital to participate in mainstream development processes. Their social networks are weak and vulnerable. Lack of social capital deprives an individual of access to resources such as economic, educational, cultural and other support systems. This creates social isolation and limits their participation in the development process (IGNOU, 2010).

Box 11.12: Nomads in India

Nomads in India such as *Gadiya Luhar, Banjara, Nat, Bhopa,* and *Bawariya* move from one place to other providing specialised services to settled communities. The *Banjaras,* for instance, are trading nomads dealing in salt, *multani mitti* (fuller's earth) and cattle. The *Gadiya luhars* are blacksmiths. They fabricate and repair iron tools and utensils, moving shop from village to village. They get their names from their *Gadiya* (bullock driven carriages) and *luhars* (blacksmiths). The *Bawariya* hunt wild animals. The *Nat* are itinerant entertainers. They are acrobats, performing at village fairs. *Bhopa* are sacred specialists, sing ballads and recite poetry, often extempore. Because movements of nomads are unpredictable, their dwellings keep shifting and they do not follow the norms of sedentary societies; settled communities in the villages treat them suspiciously. They are stigmatized, ostracized, and marginalized. They generally live beyond the village limits in isolated clusters of huts.

Their traditional means of livelihood, formerly supported by their nomadic nature, have of late become outdated. Changing economic scenario is forcing many nomadic communities to opt for settling down for alternative livelihoods. There has been, however, much social resistance to this. Adverse social stereotype perceptions about nomads and their lifestyles have worsened the situation. They are struggling to meet their basic requirements of shelter, security and livelihood and, most of all, of acceptance in the societies they have chosen to settle down with. Their dwellings are unauthorized. Consequently, they lack basic civic amenities such as safe drinking water, electricity, etc. Besides compounding their poverty, this also leads to their suffering social indignities and harassment. For example, the settlements have no water source of their own; they suffer humiliation whenever they approach village for water. Some settlements are not even linked to roads.

Nomads variously find inclusion as one of the underprivileged groups such as SCs, STs, and OBCs and are, therefore, also entitled to benefit from constitutionally mandated affirmative action and safeguards. Access to state entitlements require formal state recognition in the form of identity cards such as ration card, voter identity card, BPL identity card, and other documents as proof of residence. Many nomadic groups have not found coverage in development benefit schemes available to the below poverty line (BPL) citizens, or even as SCs, STs, OBCs just because they did not have such authorized documents. Consequently they are deprived of benefits of development schemes meant for poor, marginalized communities. Lack of recognition by the state agencies of the rights and entitlements of nomads further reinforce their marginalization. Some politicians, opinion leaders, and state officials have bias against nomads. Many of them believe that they are and would remain wanderers and, therefore, there is not much point in helping them settle down.

Source: Pant Mandakini. 2006. 'Marginalized Citizenship of Nomads' in Ranjita Mohanty and Rajesh Tandon (Ed.) *Participatory Citizenship: Identity, Exclusion and Inclusion.* New Delhi: Sage Publications.

11.7.1.2 Economic Marginalization

Economic marginalization as a process relates to economic structures, in particular, to the structure of markets and their integration. To the extent in the markets that some individuals or groups engage in are segmented from the others in general, these individuals or groups can be said to be marginalized from the rest of the economy.

Segmentation and exclusion may, however, have non-economic and non-financial origins, for example, in discrimination by gender, caste or ethnicity. People who are experiencing marginalization are likely to have tenuous involvement in the economy. The sources of their income will vary. These experiences affect men and women differently and vary with age. Poverty and economic marginalization have both direct and indirect impacts on people's health and wellbeing.

The forced population displacement is caused by development programmes implemented by the governments of various nation states. The government of India itself admitted that there are 15.5 million displaced persons when it drafted the National Rehabilitation Policy in 1994. The increasing construction of development projects consistently displaced a massive number of tribal, poor, and weaker sections. The ultimate gainers are the contractors, businessmen, industrialists, politically and economically well-ups, and the real poor are the underdog. As a consequence, we find social unrest, resistance, and disharmony in many parts of the globe (IGNOU, 2010).

Box 11.13: Economic Growth and Impact on Tribals

The post-liberalization phase of Indian economy has opened the floodgates for extractive industrialization by the corporations both Indian and multinationals. Most of the regions in India, endowed with mineral and natural resources are, by and large, in the tribal areas. The states of Andhra Pradesh, Chhattisgarh, Jharkhand, Karnataka, Madhya Pradesh and Orissa comprise of the mining corridor in India. This corridor is inhabited by a large tribal

population since times immemorial. It is also a region with a huge and dense forest cover, hills, and with a large variety of flora and fauna.

The mining and industrial policies of these states clearly specify that the government would facilitate development of mineral-based industries by providing necessary infrastructure for investment, reducing the cost of production for the investor, and ensuring an 'investor- friendly' administration. Consequently, the state governments have signed MOUs with the private industries to establish mining, steel, sponge, iron and power plants.

The tribals are the real victims of the acquisition of their lands. The law prohibits the sale of tribal lands. The amended Land Acquisition Act, 2009 emphasizes consultations with the people likely to be affected, and provides for Social Impact Assessment and Ombudsman for the grievance redressal. The Forest Right Act, 2006 also makes approval of gram sabha mandatory for any diversion of forestland for any form of land acquisition. Yet, land acquisitions have taken place on unrecorded basis through fraudulent and coercive means without often even mentioning the amount of compensation, in a non-transparent manner. Size of the average operational land holding in the tribal lands in the cited States has become progressively smaller over the years on account of accelerated land acquisition for industrialization facilitated by the Government. The marginalized tribals lack power to oppose the acquisitions or to even bargain a suitable cost / livelihood deal for themselves.

Source: Pant Mandakini. 2010. *Claiming Rights in the Era of Rapid Economic Growth: Issues in Multi-party Accountability towards Environmentally Sustainable Inclusive Development in Chhattisgarh & Jharkhand.* Unpublished paper.

11.7.1.3 Political Marginalization

Political marginalization does not allow the group to participate democratically in decision-making, and, hence, they lose their right to every social, economic and political benefit. Political empowerment is one of the most important tools for accessing other social and economic privileges. In every society, lack of political empowerment affects large sections of people including women, ethnic minorities, migrants, disabled persons, elderly, etc. So far as gender is concerned, we find that participation by women is minimized across the globe. It is men who hold power and lead politics around the world. This is true at all levels of power in politics, whether it is party leadership, elected offices, appointed offices, or at policy-making levels. This is a particularly acute problem in the third world countries, where women's participation in political affairs is mostly linked with the dominant, male-oriented social, cultural and religious environment (IGNOU, 2010).

Box 11.14: Women Leaders in Panchayati Raj

The 73rd Constitutional Amendment Act of 1992 enabled 33 percent representation of women in Panchayats. Since Indian rural women by and large experience marginalization, deprivation and oppression, it is assumed that affirmative action will build a critical mass of local leadership who will be active participants in the strategic decision-making process. The political representation will give them the voice and a solidarity base to

change initial gender-biased preferences and help in formulating democratic policies. The constitutionally mandated Panchayats and constitutionally mandated participation of women therein will change the power concentration. The opportunity for women to participate in local self-governance, however, has not actually transformed the prevailing institutional practices (relations), which still emphasize male dominance. A study finding on women leadership in Panchayats, elucidated below, corroborate this statement.

- Majority contested from the reserved seats.
- Elected women representatives (EWRs) contested elections primarily to fulfill family's wish. Husband and other family members such as father-in-law, brother-in-law by and large decided the candidature of women elected representatives. Political parties, previous elected representatives and NGOs also determined the candidature of WERs.
- The local body meetings were overwhelmingly male-dominated events. Sheer presence of men intimidated EWRs. They participated only to sign registers. Often their spouse or male relatives attended the meetings on their behalf. A significant section of them remained a mute spectator by proposing nothing in the meeting.
- The household work, working in the field or engaging in income-generating activities influenced the extent of their political engagements. Daily pressures of occupation as well as household often prevented them to undertake additional governance related responsibilities. They did not mind their husbands or adult family members taking interest in their activities and even acting on their behalf. They depended on them for day-to-day advice and support on governance related matters. Domestication and seclusion ethics undermined their potential for holding public office.
- Every day practices of elected male representatives (EMRs) and Government officials construe men as the only real political actors. EMRs and government officials had reservations about the potentials of EWRs to govern. They felt that illiteracy, lack of communication skills and dependency inhibited their participation in the local politics. The masculinity of political processes, the adversarial proceedings, subtle forms of coercion to conform to the central interests of EMRs, the timing of meetings and sessions, the pervasiveness of patronage, etc., curb and control women leaders' self-determining behaviour. The patriarchal nature of local administration reinforces a sense of worthlessness among these women.
- Internalisation of dominating ideologies and stereotypes about gender roles, values and behaviour deterred women to take on active leadership roles. Many EWRs described themselves as housewives with no sense of independent identity. Low self-esteem has made them passive, dependent on men in matters relating to governance.

Source: Pant and Farrell. 2007. 'Gender & Governance: Empowering Women's Leadership', in Rajesh Tandon (Ed) *Citizen Participation and Democratic Governance: In Our Hands.* New Delhi: PRIA.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

13) Define Exclusion.

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14) Explain the consequences of social marginalization.

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15) What is political marginalization?

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11.8 CULTURAL ISSUES IN DEVELOPMENT

Culture refers to full range of learned human behavior patterns which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society (Tylor, 1871).

We can think of culture as comprising *three layers or levels* that are part of learned behavior patterns and perceptions. *Cultural pattern* is the *first layer*, which distinguishes one society from the other. It is a behaviour pattern common among the members of a given community or group. When people speak of Indian, Italian, British, Japanese, etc, cultures, they are referring to the shared language, traditions, and beliefs that each of these peoples share apart from others. Cultural patterns are of two types: *ideal cultural patterns* and *actual behaviour patterns*. Ideal cultural patterns define how the people of a society should behave in particular situations. But, people do not always behave according to the ideal patterns as defined by their society, they sometimes deviate from them. Actual behaviour patterns refer to the manner in which people actually behave in particular situations. A cultural pattern generally combines two or more elements in a given culture. The tradition of untouchability, which has been abolished way back in India at the time of framing of our Constitution in India, comprised the following elements: the notion of inequality among human beings, the ranking of individuals and groups in terms of high and low, the association of ritual purity and pollution, birth and occupation, food and touch.

Subculture is the *second layer*. In complex diverse societies comprising of people from different parts of the world, people often retain much of their original cultural traditions. As a result, they are likely to be part of an identifiable subculture in their new society. The shared cultural traits of subcultures set them apart from the rest of their society. Examples of easily identifiable subcultures in the United States include ethnic groups such as Vietnamese Americans, African Americans, and Mexican Americans. Members of each of these subcultures share a common identity, food tradition, dialect or language, and other cultural traits that come from their common ancestral background and experience. As the cultural differences between members of a subculture and the dominant national culture blur and eventually disappear, the subculture ceases to exist except as a group of people who claim a common ancestry. That is generally the case with German Americans and Irish Americans in the United States today. Most of them identify themselves as Americans first. They also see themselves as being part of the cultural mainstream of the nation.

The *third layer* of culture is *cultural universals*. These are learned behavior patterns that are shared by all of humanity collectively. No matter where people live in the world, they share these universals. Examples of such "cultural universals" include:

1) *Cultural trait*, which is the smallest identifiable unit of a culture, such as bow and arrow. The system of primogeniture, which is prevalent in most parts of India and other countries and according to which the eldest son succeeds his father after his death, is an example of a cultural trait. The aggregate of cultural traits is referred to as a *cultural complex*. The jajmani system, which was prevalent in many parts of rural India provides an illustration of a cultural complex. The *jajmani system* refers to a complex

network of economic, social and cultural relationship between a food producing family and an artisan family. A farming family, for example, gets its agricultural tools and implements made and repaired by the former a part of the crop at harvest-time.

2) *Cultural Symbols,* with special meaning and significance are attributed to certain objects and things by members of a given culture. A flag, for example, is the symbol of a nation. The sacred thread worn by Hindu men in India is a symbolic index of the same. It is a symbolic pointer to their *dwija* or twice-born status.

3) *Cultural ethos* is the world-view of people, their conception of the world and of man's relationship with the world. The ethos of Indian culture is expressed in terms of the concept of dharma which refers to moral duty or right conduct. The concept of Hindu dharma finds expression in the *four life-stages (varnashrama dharma):* student, house-holder, forest dweller and ascetic. Each of these stages is associated with a distinct set of duties and obligations.

The universal components of culture can be analytically separated into the following units (http://anthro.palomar.edu/culture/culture_1.htm):

- *Technology* refers to the system of tools, implements and artifacts, made and used by a group of people to meet their basic needs.
- *Economic organisation* includes the techniques which are employed by a group of people in organising the production and distribution of goods and services.
- *Social organisation* refers to the framework of social and inter-personal relations — Using age and gender to classify people, e.g. teenager, senior citizen, woman, man; classifying people based on marriage and descent relationships and having kinship terms to refer to them, e.g. wife, mother, uncle, cousin; having a sexual division of labor, e.g. men's work versus women's work.
- *Political organisation* refers to the ways and methods of controlling conflict, and deals with the maintenance of the social order. e.g. leadership roles for the implementation of community decisions.
- *Ideology* includes a guiding set of beliefs, values and ideals. e.g. distinguishing between good and bad behavior.
- *Arts* refer to the forms which ensure the fulfilment of human beings' aesthetic urges. e.g. some sort of body ornamentation.
- *Language* the communicating medium. e.g. a verbal language consisting of a limited set of sounds and grammatical rules for constructing sentences. People in deaf subcultures frequently use their hands to communicate with sign language instead of verbal language. However, sign languages have grammatical rules just as verbal ones do.

11.8.1 Culture in Contemporary Development Discourse

In the earlier development discourse, development was conceptualised either in terms of the spread of western modernity and rationality or in terms of economic growth - the GNP growth. Culture was perceived as one of the elements of 'traditional' societies that needed to be changed. Development meant modernization and westernization of indigenous societies and culture.

Contemporary development discourse focuses on the external world, i.e. the social, political, economic, cultural and natural environment and its impact on human wellbeing. The focus is primarily on outer changes that need to be effected to improve the quality of human life. The underlying premise is that development can be sustainable if there is harmony and alignment between the objectives of cultural diversity and that of social equity, environmental responsibility and economic viability.

There are two primary ways in which culture is incorporated into development; *culture as institution* and *culture as resource*. Poverty, in its many forms, is linked with issues of access to opportunities, and knowledge invariably has a particular impact on social, ethnic and religious groups. For these reasons, the inclusion of minorities and disadvantaged groups in social, political and cultural life remains an ongoing development priority. *Culture as institution* aims to work with local social networks and indigenous forms of organization. By invoking familiar organizational structures, it is envisaged that stakeholders will be encouraged to participate in, take ownership of and lead development. Local cultural values deepen commitment. The community commitment, ownership and participation will enhance the accountability of government, strengthen the demand for appropriate services and involve the members effectively. Multilateral donor organizations such as the ADB and the World Bank endorse the inclusion of the developing nation's culture into their aid projects.

Culture as an economic resource means both tangible and intangible property which can be brought to market. Culture can clearly facilitate economic growth through job creation, tourism and the cultural industries (i. e. culture as an economic sector for production, consumption, and access). Cultural and creative industries are understood in this context as those which comprise the formation, production, commercialization and distribution of cultural goods and services resulting from human inspiration and imagination. They include, among others, printing and publishing, visual and performing arts, cultural tourism and related heritage industries, cinema, music, radio, television and online industries, arts, and design and crafts. Creative industries are one of the fastest growing sectors in the global economy (Beatty and Gibson, 2009).

11.8.2 Culture's Critique of Development

The contemporary development discourse looks upon culture as a good, like health or education, or as an evil, like corruption or child labour. It also seems to appraise culture, as one with the state of the economy, to see whether or not it can be 'improved' to facilitate development. Accordingly, one could then consider strategies to suppress or strengthen aspects of the cultural environment, depending on whether they hinder or promote development goals. Meaning thereby, this discourse does not assume culture to have its own inner dynamics that might have a bearing on development thinking or strategy. Rather, culture is viewed

from outside, as a relatively fixed domain to be confronted, evaluated and acted upon from within a developmental frame of reference.

Culture as an object finds a place on the developmental agenda in two ways. *Firstly,* it is acknowledged to have instrumental value. For example, cultural expression is used by development agencies to spread literacy or to communicate health or environment programmes. As a medium of communication, it is accepted as having a role in contributing to social change, building constituencies, raising consciousness, and even helping to overcome cultural resistance to development ideas. *Secondly,* development agencies use culture as an offshoot of their interest in sustainable livelihoods. Under this rubric, support mostly goes out for projects that enhance the income-generating potential of crafted or performed forms of cultural expression in local communities. The main thrust of such projects is to give these forms access to wider markets. These 'development' programmes sidestep vital issues of culture. The first sees no harm in altering the content of traditional cultural forms to reflect development messages, the second one in treating these merely as products to be bought and sold. Both ignore the fact that local communities attach specific meanings to their forms of expression — meanings that derive from the local context in which, and purpose for which they are presented or produced. In the case of the crafts, for instance, it is not just the materials, colours or motifs that are used, even the very process of creation might have ritual or symbolic significance. As market dictates the nature of the craft product as well as the mode of its production, cultural agents are being reduced to contract labourers. Folk and tribal festivals are being systematically appropriated and commodified, packaged and marketed through electronic media, plucked out of context and cut off from their roots (Panikkar, 1995). They are being alienated from their act of creation and its results, which are emptied of cultural meaning to serve a milieu entirely unrelated to their own. Such projects — rooted in the development concern with sustaining or altering external conditions for the sake of human wellbeing — disregard the intimate and symbiotic relationship between culture and meaning. Because seen as part of an inhibiting or facilitating environment, culture plays no role in determining the nature of development strategies or initiatives.

Empowerment implies 'democratizing the ownership of productive assets, capacities and opportunities' and sharing decision-making powers with the dispossessed or marginalized in matters that directly impinge on their lives. It is assumed that empowerment in this sense would give the disadvantaged a greater *say* in matters affecting their lives and enable them to take control of their lives. But, would shared decision-making powers necessarily be enabling for weaker groups? Given the entrenched caste-based, feudal or patriarchal values and prejudices it is not surprising that the well-intentioned development projects often end up imposing the vision of modernity and development of elitists upon the diversity of culture (Vellani, 2009).

Development affects components of culture. For instance, in India we find that commercial activities have brought the tribals into contact with a cash economy and exploitative relationships. As forest regulations curtailed their earlier access to the forest and its products; their culture, which was based on settled cultivation in relative isolation became increasingly controlled by outsiders (contractors) and the dictates of a wage-labor economy. The development schemes uprooted them from their traditional homelands. Their removal from a forest habitat to the

drought-prone plains is destroying the delicate interplay between culture and environment. Their removal from an economy, where class relations and class structures are least developed, to a semi-feudal economy with a well-defined network of class relations and a rigid caste hierarchy has disrupted the values of communal social life. Faced with the threat to their livelihoods and their culture, tribals across India have begun to organize themselves against development schemes, and the government and private agencies directing them.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

16) What is culture?

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17) What is cultural pattern?

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18) Explain culture as an economic resource.

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11.9 LET US SUM UP

In this unit, we learnt about the processes and trends that have influenced understanding of social issues in development in contemporary times. Social issues in development form part of the broader paradigm of human development. They are related to non-monetary factors such as, education, health, nutrition, gender, marginality conditions and culture. Such factors influence people's perceived and/or actual well-being and build their capacity to gain control of their lives.

11.10 ANSWERS TO "CHECK YOUR PROGRESS" QUESTIONS

1) *Millennium Development Goal #2* (MDG) of UNDP aims to ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

2) *The objectives of mid-day meal scheme are to:*

   - Improve the nutritional status of children in classes I-V in Government, Local Body and Government-aided schools, and EGS and AIE centers;
   - Encourage poor children, belonging to disadvantaged sections, to attend school more regularly and help them concentrate on classroom activities; and
   - Provide nutritional support to children of primary stage in drought affected areas during summer vacation.

3) Gender bias in education refers to gender-based discrimination related to girls' education. Girls and women are likely to be more illiterate than men. Many schools do not have female teachers; do not have separate toilets for girls. Given such dismal situation parents especially of older girls do not feel comfortable to send them to school. The dropout rate among girls, therefore, tends to be very high.

4) Three MDGs related to health are as follows: Reduction in child mortality, improvement in maternal health, and combating HIV/AIDS, malaria and other diseases.

5) The primary healthcare infrastructure has a three-tier system with Sub-Centers, Primary Health Centers (PHCs) and Community Health Centers (CHCs) spread across rural and semi-urban areas. The Sub-Center is the most peripheral contact point between the Primary Healthcare System and the community.

6) The Disability-Adjusted-Life Year (DALY) is a summary measure of population health, integrating mortality with morbidity and disability information in a single unit. It is a time-based measure that combines the year of life (YLL) due to premature mortality and years of life with disability (YLD) or years of life lost due to time lived in states of less than full health.

7) Nutrition safety net programmes related to improving access to food are:

   i) National Rural Employment Guarantee Act (NREGA).

   ii) Integrated Child Development Service (ICDS).

   iii) School Mid-Day-Meal programme (MDM).

   iv) Annapoorna scheme.

   v) Food Security Act (proposed).

   vi) Micro-nutrient supplementation programmes like anaemia prophylaxis programme, massive dose vitamin-A programme.

   vii) Universal iodization of salt.

8) Micronutrient deficiencies include iron deficiency anemia, iodine deficiency disorders, vitamins A, B (riboflavin, folic acid and B12), D and calcium deficiencies.

9) Nutrition security implies physical, economic and social access to balanced diet, clean drinking water, safe environment and health care (preventive and curative) for every individual.

10) *Gender relations* represent the ways in which the *socially constructed* categories of women and men relate over a wide range of social interactions within family, community as well as in all economic and political relations in a given society. Gender relations are institutionally constructed. It creates and reproduces systemic differences in the positioning of women and men in the society.

11) The private domain is associated with household, reproductive work and femininity, whereas, the public domain is associated with political authority, public decision-making, productive work and masculinity. *Private-public divide* associated with women and men roles hinder women to negotiate in the public domain. They are either being criticized for their inadequacies or patronized by men.

12) Gender mainstreaming refers to bringing gender issues into the mainstream development agenda. It requires that all policy, planning, implementation and resource allocation reflect the interests and the views of both women as well as men.

13) Exclusion is a process through which some segments of the population are wholly or partially kept out of social interaction; or cast out from full participation in the society within which they live.

14) Socially marginalized people are by and large deprived of social opportunities. They become stigmatised and are often at the receiving end of negative public attitudes. Their opportunities to make social contributions may be limited, and they may develop low self-confidence and self-esteem. They have relatively limited access to valued social resources such as education and health services, housing, income, leisure activities and work.

15) Political marginalization does not allow the group to participate democratically in decision-making. Consequently, they lose their right to every social, economic and political benefit.

16) Culture refers to full range of learned human behavior patterns which include knowledge, belief, art, law, morals, custom and any other capabilities and habits acquired by man as a member of society.

17) Culture pattern refers to common behavioural patterns among the members of a given community or group. Shared language, traditions and beliefs set each of community or group apart from others.

18) *Culture as an economic resource* means both tangible and intangible property which can be brought to market. Culture can facilitate economic growth through job creation, tourism and the cultural industries.

11.11 ABBREVIATIONS AND GLOSSARY

ADB: Asian Development Bank.

BPFA: Beijing Platform for Action.

BRIC: Brazil, Russia, India and China.

MDG: Millennium Development Goals.

UNDP: United Nations Development Programme.

UNICEF: United Nations International Children's Emergency Fund. (United Nations Children's Fund).

Maternal Mortality Rate = Number of deaths due to puerperal causes in women x 100,000 / Number of live births.

Infant Mortality Rate = Number of deaths under 1 year of age in a year x 1000 / Number of live births in that year.

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UNIT 12 ISSUES AND PROBLEMS OF GOVERNANCE IN DEVELOPMENT

Structure

12.0 Introduction

12.1 Objectives

12.2 What and Why of Governance?

- 12.2.1 Concept of Governance
- 12.2.2 Definition of Governance
- 12.2.3 Good Governance: Concept, Principles and Features
  - 12.2.3.1 Concept of Good Governance
  - 12.2.3.2 Key Principles of Good Governance
  - 12.2.3.3 Components or Dimensions of Good Governance
  - 12.2.3.4 Characteristics of Good Governance
  - 12.2.3.5 Significance of Governance in Development: UN Perspective

12.3 Issues and Problems of Governance

- 12.3.1 Participation
- 12.3.2 Transparency
- 12.3.3 Effectiveness and Efficiency
- 12.3.4 Responsiveness
- 12.3.5 Accountability
- 12.3.6 Consensus-oriented Decision-making
- 12.3.7 Equity and Inclusiveness
- 12.3.8 Rule of Law
- 12.3.9 Predictability
- 12.3.10 Centralization and Decentralization
  - 12.3.10.1 Significance of Decentralization in Good Governance
- 12.3.11 Corruption

12.4 Measures and Indicators of Good Governance

12.5 Let Us Sum Up

12.6 Answers to 'Check Your Progress' Questions

12.7 References

12.0 INTRODUCTION

Currently there has been growing concern about governance issues in the development debate focused on the terms like "governance", "good governance", "bad governance" and so on. Bad governance is increasingly regarded as one of the root causes of all evils in the civil societies. Major donors and international financial institutions are also basing their aid and loans for developmental programmes on the conditions that are more reform-oriented and aimed at "good governance". Therefore, in this Unit we will focus on the concept of governance, its aspects, issues and problems which also have relevance in the context of extension education and development.

12.1 OBJECTIVES

After going through this unit, you should be able to:

- Explain the concept and principles of governance;
- Describe the characteristics of good governance;
- Identify the indicators of good governance; and
- Analyse the problems and issues of governance in development.

12.2 WHY AND WHAT OF GOVERNANCE?

In this section we will focus on the concept, principles, elements, features and indicators of governance.

12.2.1 Concept of Governance

Governance is not new a concept and it is as old as human civilization. Yet, we need to have clear understanding of the concept of governance so that we will be able to appreciate its significance in the context of development.

According to United Nations (www.un.org/en/globalissues/governance/) the term 'governance' means and includes "the process of decision-making and the process by which decisions are implemented (or not implemented)". In other words, dealing with governance involves the analysis of the processes and systems by which a specific society or organisation operates. Though government is one of the main actors of governance, it is far from being the only one; depending on the specific entity under study, other actors can include: influential political parties/ leaders, the military, financial and research institutions, international donors, multi-national corporations, cooperatives, the media, NGOs, religious leaders, lobbyists, etc. The concept of governance can be applied in several contexts such as corporate governance, international governance, national governance and local governance. Since governance is the process that involves decision-making and implementation of the decisions, an analysis of governance focuses on the formal and informal actors in the structures involved in decision-making and implementation.

Government is just one of the important actors in the gamut of governance. Other actors involved in governance vary depending on the level of government and scope of discussion. In rural areas, other actors may include influential landlords, associations of peasant farmers, cooperatives, NGOs, field functionaries of research and finance institutions, religious leaders, local political leaders, the police and military, educational leaders, etc. However, in some rural areas locally powerful families and individuals may influence decision-making in many respects. In urban areas the actors include: the urban elite, the urban middle class and the poor, Government officials, educational leaders, Trade Unions, NGO's, entrepreneurs, mafias, etc.

Formal government structures are one means by which decisions are arrived at and implemented. All actors other than government and the military are grouped together as part of the "*civil society.*" At the national level, media, lobbyists, international donors, multi-national corporations, etc., play a role in decision-making or in influencing the decision-making process. Informal decision-making structures such as "kitchen cabinets" or "informal advisors" may also exist.

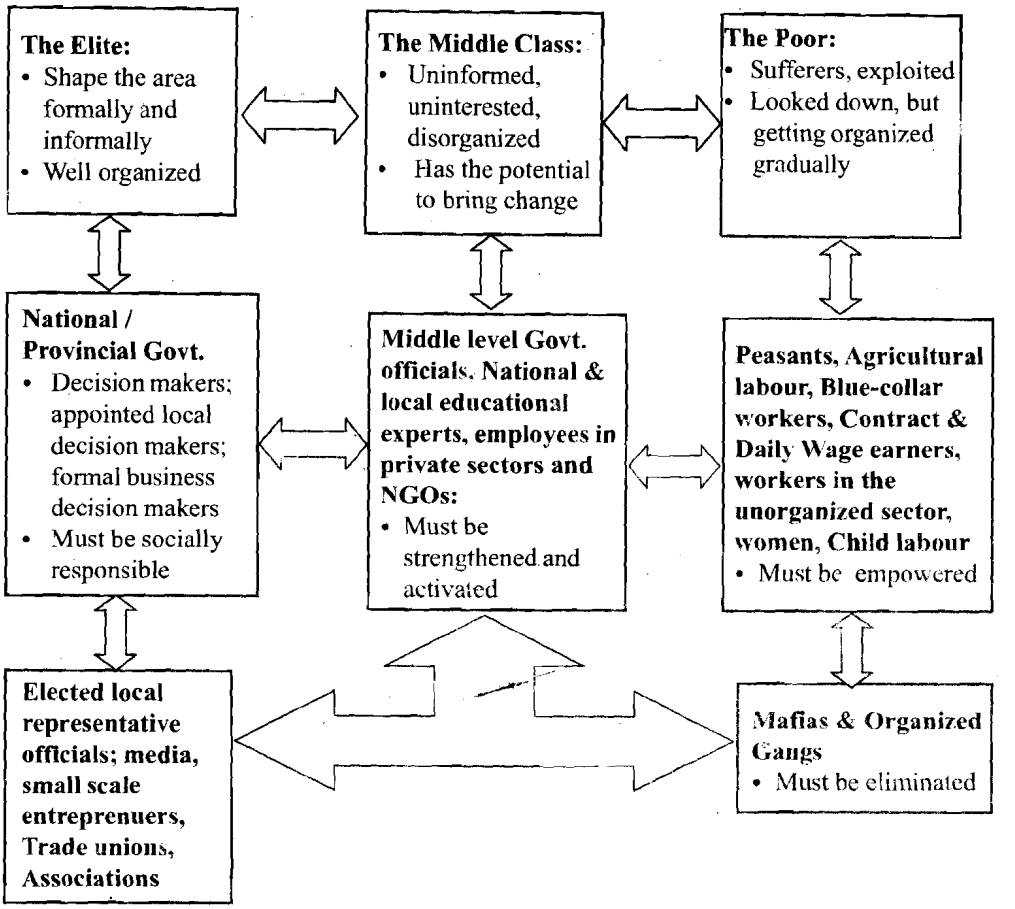
The Elite:
• Shape the area formally and informally
• Well organized
The Middle Class:
• Uninformed, uninterested, disorganized
• Has the potential to bring change
The Poor:
• Sufferers, exploited
• Looked down, but getting organized gradually
National / Provincial Govt.
• Decision makers; appointed local decision makers; formal business decision makers
• Must be socially responsible
Middle level Govt. officials, National & local educational experts, employees in private sectors and NGOs:
• Must be strengthened and activated
Peasants, Agricultural labour, Blue-collar workers, Contract & Daily Wage earners, workers in the unorganized sector, women, Child labour
• Must be empowered
Elected local representative officials; media, small scale entreprenuers, Trade unions, Associations
Mafias & Organized Gangs
• Must be eliminated

Fig. 12.1: Rural and Urban Actors in Governance

In some countries, in addition to the civil society, it is clearly noticeable that the organized crime syndicates also influence decision-making, particularly in urban areas and at the national level. Organized crime syndicates include the "Land Mafia", "Builders' Mafia", "Real Estate Mafia", and so on. Such informal forces influencing decision-making process is often the result of corrupt practices in governance at different levels or leads to or encourage rampant corrupt practices in the society at large. In this context, it is appropriate for us to know clearly what governance is and how it is defined.

12.2.2 Definition of Governance

Governance has been variously defined by different people and agencies. According to Schneider (1999), governance is "the exercise of authority or control to manage a country's affairs and resources". Albrow (2001) defines it as "the management of society by the people".

"Governance is the exercise of political, economic and administrative authority to manage a nation's affairs. It is the complex of mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences." (UNDP, See mirror.undp.org/magnet/policy).

"Governance is the manner in which power is exercised in the management of a country's social and economic resources for development. Governance means the way those with power use that power." (ADB, See www.adb.org/governance).

Governance is "... the traditions and institutions by which authority in a country is exercised for the common good. This includes: i) the process by which those in authority are selected, monitored and replaced, ii) the capacity of the government to effectively manage its resources and implement sound policies, and iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them" (World Bank, See info.worldbank.org/governance/wgi/).

Governance is a complex system of interactions among structures, traditions, functions (responsibilities), and processes (practices) characterized by three key values of accountability, transparency and participation (USAID, 2002, See http://www.un.org/special-rep/ohrlls/ldc/Workshop/Monitoring%20good%20governance.pdf).

A synthesis of current definitions provided by donor organizations such as the World Bank, ADB, the United Nations Development Program (UNDP), USAID, OECD, Development Assistance Committee (DAC) and other international development agencies and multilateral donors yields us a more complex concept of governance which lay emphasis on the following (http://www.un.org/special-rep/ohrlls/ldc/Workshop/Monitoring%20good%20governance. pdf):

- The processes by which governments are chosen, monitored and changed.
- The systems of interaction between the administration, the legislature and the judiciary.
- The ability of government to create and to implement effective public policy.
- The mechanisms by which citizens and groups define their interests and interact with institutions of authority and with each other.
- Promotion of the values of accountability, transparency, participation and efficiency.

12.2.3 Good Governance: Concept, Principles and Features

Strikingly, governance has become a buzzword since the 1990s; a move from governance to good governance. "There has hardly been a consensus as to its core meaning, and less and less of a common idea as to how it could be applied more concretely" (Martin Doornbos, 2003). The term does not possess a standard meaning, nor has its meaning remained constant in the decade or so of its being accorded a central place in donor frameworks for development.

12.2.3.1 Concept of Good Governance

The lack of specificity in the meaning of the term "governance" becomes apparent when we examine its evolution. Governance was conceived broadly as "the exercise of authority and control in a society in relation to the management of its resources for social and economic development" (Schneider, 1999). The concept achieved prominence in donors' discourse around 1990, after the end of the cold war. International donor agencies, the World Bank in particular, operating within the boundaries delineated by their statutes, adopted an essentially apolitical conception of governance (Martinussen, 1998). This orientation helped to explain the focus of these institutions on the improvement of the quality of Southern (recipient country) public sector management, better service delivery, rule of law, and elimination of corruption, together with compliance with donor policies,

e.g. reduction of excessive military expenditures. By the mid-1990s, international donor (notably UNDP and the OECD) conceptions of good governance had expanded to include the notions of transparency, accountability, and participation. By 2000, more elements were added to the conception of good governance; the Statement issued by High Level Meeting of Development Assistance Committee (DAC) of the OECD took note that, "Good governance requires a broad approach to partnership extending beyond government and parliaments to include civil society and the private sector" (Hansen, Henrik, and Finn Tarp, 2000). Moreover, in addition to the requirements of transparency and accountability, a new dimension was stipulated, namely, *predictability.* This last element was introduced in light of the financial crises in the latter part of the 1990s, which led to a call for improvements in corporate governance and stable financial frameworks.

Thus, according to the current conceptions, *three key features* or the defining properties of the concept of good governance may be identified as follows.

i) *Good governance is predicated upon mutually supportive and cooperative relationships between government, civil society and the private sector:* The nature of relationships among these three groups of actors, and the need to strengthen viable mechanisms to facilitate interactions, assume critical importance.

ii) *Good governance is defined as possession of all, or some combination of, the elements — participation, transparency in decision-making, accountability, the rule of law, and predictability:* Democratic practices, civil liberties and access to information are sometimes added to the list. Donor assistance to strengthen governance in developing countries has focused on empowerment and capacity-building with the objective of enhancing the preceding elements:

iii) *Good governance is normative in conception:* The values that provide the underpinning for governance are the values postulated by international donor institutions.

The preceding discussion makes it clear that as of governance, there is no single and exhaustive definition of "good governance," nor there is a delimitation of its scope that commands universal acceptance. The term is used with great flexibility; this is an advantage, but also a source of some difficulty at the operational level. Depending on the context and the overriding objective sought, good governance has been said at various times to encompass: full respect of human rights, the rule of law, effective participation, multi-actor partnerships, political pluralism, transparent and accountable processes and institutions, an efficient and effective public sector, legitimacy, access to knowledge, information and education, political empowerment of people, equity, sustainability, and attitudes and values that foster responsibility, solidarity and tolerance, free of abuse and corruption. The true test of "good" governance is the degree to which it delivers on the promise of human rights: civil, economic, political, social and cultural rights. All these things are encompassed in the principles of governance which are discussed in subsection 12.2.3.2.

Good Governance

Governance is "good" when it ensures that political, social and economic priorities are based on a broader consensus in society, and that the voices of all are heard in decision-making over allocation of resources.

12.2.3.2 Key Principles of Good Governance

Members in governance play a vital role in serving the causes with adequate skills and commitment for the good of the organisations they lead. These members need to have proper policies and procedures in place to guide and help them work well as a team and have good relationships with the members of the organization. They need to follow certain principles in order to set out good practice but are also closely linked with their responsibilities. The purpose of these principles is to assist the members to enhance their decision-making capabilities, increase their accountability and enable them to provide strong leadership. These principles will in turn assist the people and cause their organisations to benefit.

According to Lindsay Driscoll (2010), six high level principles have been designed to be universal and equally applicable to all organisations. These include the following.

i) *An effective board of management will provide good governance and leadership by understanding their role.*

ii) *An effective board of management will provide good governance and leadership by ensuring delivery of organisational purpose.*

iii) *An effective board of management will provide good governance and leadership by working effectively both as individuals and as a team.*

iv) *An effective board of management will provide good governance and leadership by exercising effective control.*

v) *An effective board of management will provide good governance and leadership by behaving with integrity.*

vi) *An effective board of management will provide good governance and leadership by being open and accountable.*

Underlying each principle is the additional principle of equality — that of ensuring equality in diversity and equality of treatment for all sections of the community.

Principle 1 — *An effective board of management will provide good governance and leadership* ***by understanding their role:*** Members of the board will understand their role and responsibilities collectively as well as individually in relation to: i) their legal duties, ii) the provisions of the governing document, iii) the external environment, iv) the total structure of the organization and in terms of a) setting and safeguarding the vision, values and reputation of the organization, b) overseeing the work of the organization, and c) managing and supporting staff and volunteers where applicable.

Principle 2 — *An effective board of management will provide good governance and leadership* ***by ensuring delivery of organisational purpose:*** The board will ensure that the organisation delivers its stated purposes or aims by:

- ✓ ensuring that organisational purposes remain relevant and valid;
- ✓ developing and agreeing to a long-term strategy;
- ✓ agreeing to operational plans and budgets;
- ✓ monitoring progress and spending against plan and budget;
- ✓ evaluating results; and
- ✓ reviewing and/or amending the plan and budget as appropriate.

Principle 3 — *An effective board of management will provide good governance and leadership* ***by working effectively both as individuals and as a team:*** The board will have a range of appropriate policies and procedures, knowledge, attitudes and behaviours to enable both individuals and the board to work effectively. These include the following.

- ✓ finding and recruiting new board members to meet the organisation's changing needs in relation to skills, experience and diversity,
- ✓ providing suitable induction for new board members,
- ✓ providing all board members with opportunities for training and development, according to their needs, and
- ✓ periodically reviewing their performance both as individuals and as a team.

Principle 4 — *An effective board of management will provide good governance and leadership* ***by exercising effective control:*** As the accountable body, the board will ensure that:

- ✓ the organisation understands and complies with all legal and regulatory requirements that apply to it;
- ✓ the organisation continues to have good internal financial management controls;
- ✓ the board regularly reviews and identifies the major risks to which the organisation is exposed and puts in place systems to manage those risks; and
- ✓ delegation to sub-committees, staff and volunteers (as applicable) to work effectively and to see that the use of delegated authority is properly supervised.

Principle 5 — *An effective board of management will provide good governance and leadership* ***by behaving with integrity:*** The board will:

- ✓ safeguard and promote the organisation's reputation;
- ✓ act according to high ethical standards;
- ✓ understand and manage conflicts of interests and loyalty;
- ✓ maintain independence of decision-making; and
- ✓ deliver impact that most effectively meets the needs of beneficiaries.

Principle 6 — *An effective board of management will provide good governance and leadership* ***by being open and accountable:*** The Board will lead the organisation in being open and accountable, both internally and externally. This includes the following.

- ✓ open communications, informing people about the organisation and its work;
- ✓ appropriate consultation on significant changes to the organisation's services or policies;

- ✓ listening and responding to the views of supporters, funders, beneficiaries, service users and others with an interest in the organisation's work;
- ✓ handling complaints constructively and effectively; and
- ✓ considering the organisation's responsibilities to the wider community, for example its environmental impact.

12.2.3.3 Components or Dimensions of Good Governance

The United Nations Economic Commission for Africa (Hope, 2003) has identified six components of good governance:

- A political system that encourages broad input from all elements of civil society.
- Impartial and credible electoral administration and an informed and active citizenry.
- Strengthened public sector legislative and administrative institutions.
- Transparency, predictability, and accountability in political, oversight, and regulatory decisions by government and public bodies.
- Effective public sector management with stable macroeconomic policy, effective resource mobilization, and efficient use of public resources.
- Adherence to the rule of law in a manner that protects and promotes personal and civil liberties and gender equity, and ensures public safety and security with equal access to justice for all.

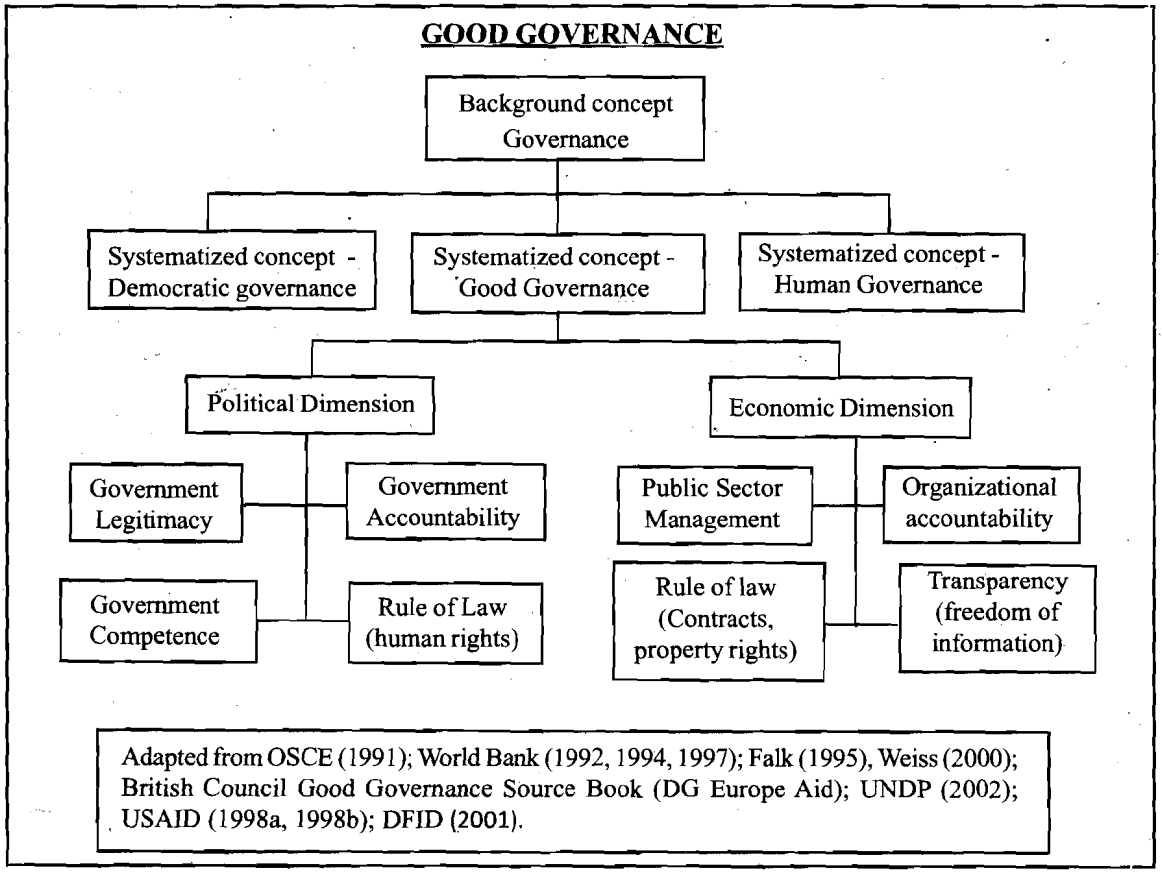
GOOD GOVERNANCE
Background concept Governance
Systematized concept - Democratic governance
Systematized concept - Good Governance
Systematized concept - Human Governance
Political Dimension
Economic Dimension
Government Legitimacy
Government Accountability
Government Competence
Rule of Law (human rights)
Public Sector Management
Organizational accountability
Rule of law (Contracts, property rights)
Transparency (freedom of information)
Adapted from OSCE (1991); World Bank (1992, 1994, 1997); Falk (1995), Weiss (2000); British Council Good Governance Source Book (DG Europe Aid); UNDP (2002); USAID (1998a, 1998b); DFID (2001).

Fig. 12.2: Graphical Representation of Good Governance

Source: Landman, et al. 2003. at www.un.org/special-rep/.../Monitoring%20good%20governance.pdf.

Figure 12.2 presents a schema of the dimensions of good governance as conceived by the World Bank, UNDP, OSCE, USAID and other donor agencies. It shows that good governance consists of two major dimensions: political and economic. The political dimension has four key components: government legitimacy; government accountability; government competence; and rule of law (human rights). The economic dimension has four components: public sector management; organizational accountability; rule of law (contracts, property rights); and transparency (includes freedom of information). It thus provides a broad framework with scope for further discussion on good governance.

The above components or dimensions of good governance enable us to have clear understanding of its characteristics.

12.2.3.4 Characteristics of Good Governance

Form the above discussion on the dimensions or components of good governance we can now easily visualize the characteristics of good governance.

According to OECD (Hansen, Henrik, and Finn Tarp. 2000) and United Nations (2006), following are the characteristic features of good governance: i) Participation, ii) Transparency, iii) Effectiveness and efficiency, iv) Responsiveness, v) Accountability, vi) Consensus-oriented, vii) Equity and inclusiveness, viii) Rule of Law, and ix) predictability.

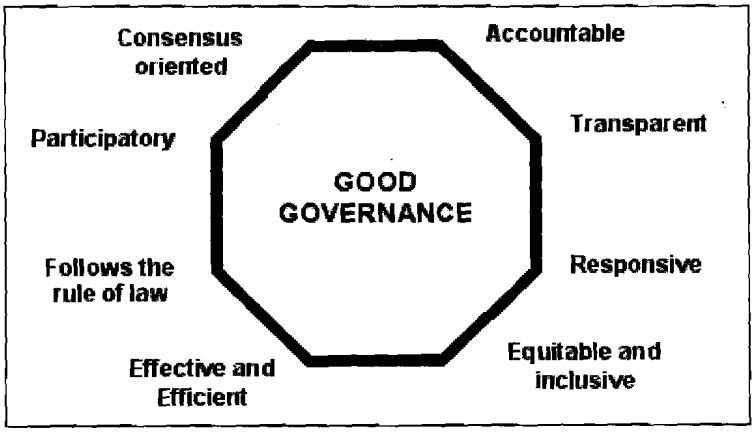

Fig. 12.3: Characteristics of Good Governance

All problems and issues of governance pertain to the dimensions presented in sub-sub-section 12.2.3.3 above. And, the degree or extent to which the characteristics are present or absent will become issues and problems of governance. Hence, lies the significance of governance in development.

12.2.3.5 Significance of Governance in Development: UN Perspective

As we could notice, the concept of governance has gradually led to the concept of good governance (UNDP, 2002, See http://www.un.org/special-rep/ohrlls/ldc/Workshop/ Monitoring%20good%20governance.pdf) has described good governance as the striving for rule of law, transparency, responsiveness, participation, equity, effectiveness, efficiency, accountability, and strategic vision in the exercise of political, economic and administrative authority.

In the community of nations, governance is considered "good" and "democratic" to the degree in which a country's institutions and processes are transparent, accountable and efficient. Its institutions refer to such bodies as parliament and its various ministries. Its processes include such key activities as elections and legal procedures, which must be seen to be transparent, free of corruption and accountable to the people. A country's success in achieving this standard has become a key measure of its credibility and respect in the world.

Good governance promotes equity, participation, pluralism, transparency, accountability and the rule of law in a manner that is effective, efficient and enduring. In translating these principles and characteristics into practice, holding of free, fair and periodic elections to representative legislatures that make laws and providing oversight and an independent judiciary to interpret those laws are a must. The greatest threats to good governance come from corruption, violence and poverty, all of which undermine transparency, security, participation and fundamental freedoms.

Democratic governance advances development by bringing its energies to bear on such tasks as eradicating poverty, protecting the environment, ensuring gender equality and providing for sustainable livelihoods. It ensures that civil society plays an active role in setting priorities and making the needs of the most vulnerable people in society known. In fact, well-governed countries are less likely to be violent and less likely to be poor. When the alienated are allowed to speak and their human rights are protected, they are less likely to turn to violence as a solution. When the poor are given a voice, their governments are more likely to invest in national policies that reduce poverty. In so doing, good governance provides the setting for the equitable distribution of benefits from growth.

The UN system works closely with the national governments to achieve these ends. It also works closely with the civil society, a term which encompasses a wide range of organizations and groups from the private sector having varying interests and objectives, including professional, business, service, religious and recreational bodies (http://www.un.org/en/ globalissues/governance/).

UN Secretary-General Ban Ki-moon in his remarks to the Security Council on Timor-Leste on 19 February, 2009 states (See http://www.un.org/en/globalissues/governance/): "... as we all know, infrastructure is not just a matter of roads, schools and power grids. It is equally a question of strengthening democratic governance and the rule of law. Without accountability, not only of the government to its people but of the people to each other, there is no hope for a viable democratic State."

The UN system promotes good governance through many avenues. The UN Development Programme (UNDP) actively supports the national processes of democratic transition. In the process, it focuses on providing policy advice, technical support and strengthening the capacity of institutions and individuals. It engages in advocacy and communications, supports public information campaigns, promotes and brokers dialogue. It also facilitates "knowledge networking" and the sharing of good practices (http://www.un.org/en/ globalissues/governance/).

The International Monetary Fund (IMF) promotes good governance through its programmes of lending and technical assistance. Its approach to combating corruption emphasizes prevention through measures that strengthen governance. The IMF encourages member countries to improve accountability by enhancing transparency in policies, in line with internationally recognized *standards and codes*. In its work with poor countries, the IMF emphasizes adequate *systems for tracking public expenditures* relating to poverty reduction. In its regular consultations with its members, the IMF also provides policy advice on governance-related issues (Ibid).

The United Nations Democracy Fund (UNDF) supports projects that strengthen the voice of civil society, promote human rights, and encourage the participation of all groups in democratic processes. The bulk of its funds go to local civil society organizations, both in the transition and consolidation phases of democratization. In these ways, it complements the UN's work with governments to strengthen democratic governance worldwide (Ibid).

The United Nations Public Administration Network (UNPAN) was created to set up an internet-based network to link regional and national public administration institutions. It facilitates the exchange of information and experience, as well as training in the area of public sector policy and management. Its long-term goal is to build the capacity of these regional and national institutions, with the aim of improving public administration overall. Through such measures as these, the promotion of good governance runs like a thread through all the UN system activities (Ibid).

Though good governance as a concept that has come into regular use in political science, public administration and development management, it now appears alongside many such terms as democracy, civil society, participation, human rights and sustainable development. In the last decade, it has been closely associated with the public sector reform. *Good governance is responsive to the present and future needs of society.* In the light of such significance of good governance, we will examine different issues and problems related to good governance.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

1) Define 'Governance' and 'Good Governance'.

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2) What are the key principles of good governance?

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3) What are the components of good governance?

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12.3 ISSUES AND PROBLEMS OF GOVERNANCE

We have listed the characteristics of good governance in sub-sub-section 12.2.3.4. As mentioned therein all the issues and problems of good governance centre-around these characteristics only. We will discuss these characteristic features in detail along with issues and problems associated with each characteristic. The characteristic features of good governance assure that corruption is minimized, the views of minorities are taken into account and the voices of the most vulnerable sections of the society are heard in decision-making. The organizations/institutions must strive to work towards governance that will have these characteristics and be responsive to the present and future needs of society. In this section, we will describe the characteristic features of good governance with an emphasis on how they will become serious issues and problems depending upon the extent to which they are present or absent in governance.

12.3.1 Participation

Participation by both men and women is a cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. Participation needs to be informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other.

Significance of participation for good governance: Progress is possible only if individuals, communities and public servants are able and willing to contribute both in isolation and as collectives to the solutions of various problems of governance. There is growing agreement across society that the state cannot and should not direct the actions of its citizens without their co-operation, whether dealing with climate change, public health concerns, tackling international terrorism or promoting pro-social behaviour. As such public participation must become the core of the future of public service decision-making. Over time, the public has grown less deferential towards authority and this means that the relationship between elected representatives and their constituents, and between the institutions of the states and the citizens must change for the better. Hence, public participation assumes greater significance in governance.

Public participation has the potential to change how the individuals and communities live and interact. Taking part in local decision-making or discussing future policy can have a transformative effect on how people think about themselves and their role in the civil society. Participation refers to the involvement of citizens in the development process. Beneficiaries and groups affected by the project need to participate so that the government can make informed choices with respect to their needs, and at the same time social groups can also protect their rights.

Participation activities may be motivating from an administrative perspective or a citizen perspective. From the administrative viewpoint, participation can build public support for activities. It can educate the public about an agency's activities. It can also facilitate useful information exchange regarding local conditions. Furthermore, participation is often legally mandated. From the citizens viewpoint, participation enables individuals and groups to influence agency decisions in a representational manner.

Classification of participation: Arnstein (1969) discusses eight types of participation in '*A Ladder of Citizen Participation*'. Often termed as "*Arnstein's ladder*", these types are broadly categorized as:

- Citizen Power: *Citizen Control, Delegated Power, Partnership.*
- Tokenism: *Placation, Consultation, Informing.*
- Non-participation: *Therapy, Manipulation.*

She defines citizen participation as the redistribution of power that enables the have-not citizens, presently excluded from the political and economic processes, to be deliberately included in the future.

Fung (2006) presents different classification of participation based on three key questions:

- Who is allowed to participate, and are they representative of the population?
- What is the method of communication or decision-making? and
- How much influence or authority is granted to the participation?

Ways of promoting participation in governments: Participation can be promoted in the following ways.

i) *Encouraging the participation of project beneficiaries and affected groups:* The principle of participation derives from an acceptance that people are at the heart of development. The people are not only the ultimate beneficiaries of development, but also the agents of development. In the latter capacity, they act through groups or associations (e.g. trade unions, chambers of commerce, NGOs, political parties) and as individuals (e.g. through letters to newspaper editors, participating in radio and television talk-shows, voting). Since development is both for and by people, they need to have access to the institutions that promote it (e.g. representative bureaucracies).

ii) *Improving the interface between the public and private sectors:* Participation is often related to accountability. In representative democracies, where citizens participate in government through the electoral process, public officials are accountable ultimately to the electorate. However, this may not be the case in other political systems (although accountability is still important). For all economies, the benefits of participatory approaches can be considerable and include improved performance and sustainability of policies, programmes and projects, as well as enhanced capacity and skills of stakeholders.

iii) *Empowering local government by letting them take ownership of the project:* At the grass roots level, participation implies that government structures are flexible enough to offer beneficiaries the opportunity to improve the design and implementation of public programs and projects. This increases "ownership" and enhances results. At a different level, the effectiveness of policies and institutions impinging on the economy as a whole may require the broad support and cooperation of major economic actors concerned. To the extent that the interface between public agencies and the private sector is conducive to the latter's participation in the economy, national economic performance (comprising the combined contributions of the public and private sectors) will be enhanced.

iv) *Using NGOs as vehicles for mobilizing and reaching project beneficiaries:* Participation in economic life by agents other than the state would cover both the role of the private sector and the growing activities of NGOs. These elements of civil society offer an alternative means of channeling the energies of private citizens. They can be helpful in identifying people's interests, mobilizing public opinion in support of the interests, and organizing action accordingly. Being close to their constituents, NGOs can provide governments with a useful ally in enhancing participation at the community level and fostering a "bottom-up" approach to economic and social development.

12.3.2 Transparency

Transparency means that taking decisions and implementing them is done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and in easily understandable forms and media. Transparency, thus, refers to the availability of information to the general public about government rules, regulations and clarity of decisions. It can be strengthened through the citizens right to information with a degree of legal enforceability.

Transparency in government decision-making and public policy implementation reduces uncertainty and can help inhibit corruption among public officials. The following points highlight transparency as the core principle of good governance.

- Transparency means sharing information and acting in an open manner. Free access to information is the key element.
- Information must be timely, relevant, accurate and complete for it to be used effectively.
- Transparency is essential for controlling corruption in public life, since transparency and accountability in Government are mutually reinforcing.

Major initiatives to enhance transparency in India: These initiatives include the following.

- Right to Information Act.
- Public Services Bill.
- Citizens Charters.
- e-Bhoomi: Management of land records.
- e-Chaupal: Transforming lives and landscapes.
- e-Procurement.
- e-Governance: Framework.

Inter-linkages among the elements of governance: Conceptually, the four elements of governance – accountability, participation, transparency and predictability — are mutually supportive and reinforcing. Accountability is related to participation, safeguards, predictability and transparency. In the absence of accountability to affected groups, predictable decision-making of autonomous government agencies may result in placing agency interests above those of the affected parties. Similarly, transparency and information openness cannot be assured without legal frameworks that balance the right to disclosure against the right of confidentiality. Again, predictability in the functioning of the legal framework would be helpful for ensuring accountability in public institutions. At the same time, predictability also requires transparency, because without information about how similarly placed individuals have been treated, it may be difficult to ensure adherence to the rule of equality before the law. Finally, a transparent system facilitates governmental accountability, participation and predictability of outcomes.

12.3.3 Effectiveness and Efficiency

Effectiveness and efficiency character of good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and protection of the environment.

The conceptual framework of efficiency and effectiveness makes the link between input, output and outcome. The measurement of efficiency and effectiveness of public spending, however, remains a conceptual challenge. Problems arise because public spending has multiple objectives and because public sector outputs are often not sold on the market which implies that the price data is not available

and that the output cannot be quantified. Thus, the monetary and non-monetary resources deployed (i.e. the input) and the entire output produced and all the outcomes cannot exactly be taken into account in measuring the effectiveness and efficiency. Nevertheless, education-spending (input) affects educational attainment rates (output) and the input-output ratio is the most basic measure of efficiency. Yet, compared to productivity measurement, the efficiency concept incorporates the idea of the production-possibility frontier, which indicates feasible output levels given the scale of operations. The greater the output for a *given* input or the lower the input for a *given* output, the more efficient the activity is. Productivity, by comparison thus, is simply the ratio of outputs produced to input used.

Effectiveness relates the input or the output to the final objectives to be achieved, i.e. the outcome. The outcome is often linked to welfare or growth objectives and therefore may be influenced by multiple factors (including outputs but also exogenous 'environment' factors). The effectiveness is more difficult to assess than efficiency, since the outcome is influenced by political choice. The distinction between output and outcome is often blurred, and output and outcome are used in an interchangeable manner, even if the importance of the distinction between both concepts is recognised. The effectiveness shows the success of the resources used in achieving the set objectives. This implies that efficiency and effectiveness are not always easy to isolate. In addition, outputs and outcomes may be affected by environment factors, which may or may not be within the control of the policy makers.

12.3.4 Responsiveness

Responsive governance requires that the institutions and processes try to serve all stakeholders within a reasonable timeframe. Responsive Governance also involves: new kinds of citizen engagement; growing reliance on networks, partnerships and enhanced collaboration across sectors – government as enabler and coordinator rather than provider; more diverse and flexible organizational forms; less homogeneity, higher expectations of quality in process and product; and more diverse forms of accountability — accountabilities are to multiple stakeholders.

12.3.5 Accountability

The Governmental institutions, the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Who is accountable to whom varies, depending on whether decisions or actions taken are internal or external to an organization or institution. In general, an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law.

Public officials must be answerable to government and responsive to the entity from which their authority is derived. This may be achieved differently in different countries or political structures, depending on the history, cultural milieu and value systems involved. The mechanisms employed may vary from audit covenants, at one level, to broadly elected legislatures or more narrowly conceived consultative committees, at another.

Accountability in governments builds the capacity to undertake economic reforms, implement them successfully and provides citizens with an acceptable level of public services. Criteria are established to measure the performance of public officials and oversight mechanisms set up to make sure the standards are met. The litmus test is whether private actors in the economy have, procedurally, simple and swift recourse for redress of unfair actions or incompetence of the executive authority.

The accountability of public sector institutions is facilitated by evaluation of their economic and financial performance. Economic accountability relates to the effectiveness of policy formulation and implementation, and efficiency in resource use. Financial accountability covers accounting systems for expenditure control, and internal and external audits. Lack of accountability in time tends to reduce the state's credibility as an economic partner. It undermines the capacity of the governments to sustain the long-term business confidence essential for growth-enhancing private sector investment.

Types of Accountability: The concept of accountability can be classified according to the type of accountability exercised and/or the person, group or institution to which the public official is answerable. As such the main forms of accountability are described below in reference to their opposing or alternate concept. Bruce Stone, O. P. Dwivedi, and Joseph G. Jabbra (See http://en.wikipilipinas.org/index.php?title=Accountability) have listed 8 types of accountability, namely: moral or ethical, administrative, political, legal/judicial, managerial, market, constituency relations and professional.

- ***Moral or ethical accountability:*** Ethical or moral accountability is the practice of improving overall personal and organizational performance by developing and promoting responsible tools and professional expertise, and by advocating an effective and enabling environment for people and organizations to embrace a culture of sustainable development. Ethical accountability may be of the individuals, small and large business organisations, not-for-profit organizations, research and academic institutions, and government.

- ***Administrative accountability:*** Internal rules and norms as well as some independent commission(s) are the mechanisms available to hold the civil or public servants accountable within the administration of government. Within department or ministry: i) behavior is bound by rules and regulations, and ii) civil administration is hierarchical and subordinates are accountable to superiors. Apart from internal checks, "watchdog" units accept complaints from citizens, bridging government and society to hold civil servants accountable to citizens.

- ***Political and legal accountability:*** Political accountability is the accountability of the government, civil servants and politicians to the public and to legislative bodies such as a parliament. Parliament and the judiciary act as horizontal constitutional checks on the power of the executive. The role of these two institutions can be further delineated in that parliament holds the executive politically accountable, whilst the judiciary holds the executive legally accountable. These classifications stem from the fact that parliament is a political institution, while the judiciary can only adjudicate on legal issues.

- ***Managerial accountability:*** Managers should be held accountable for the output of their team (and in order to be accountable they must be given certain authorities as well to induce trust and fairness). The managers create the direct report role, they hire for it, they assign the tasks, they are accountable for seeing their direct reports, have the knowledge, skills and experience needed, they supply the resources, they coach and provide feedback, they judge employee effectiveness, and ultimately, they remove employees who are not performing as the situation warrants.

  Given this, how could it be just or trust-inducing to hold an employee accountable for their output when the manager holds nearly all the influence "levers". Managers must make fair judgments about employee's effectiveness. Employee output is a factor but can never be a sole determinant of one's effectiveness. The employee can meet output goals but may put the company in jeopardy in doing so. Conversely, the employee could miss the output goal despite heroic efforts and sound judgment. Managers must judge employee effectiveness in the light of the prevailing circumstances. And when the decisions are all taken by the Manager, it is quite logical to hold the Manager responsible and accountable for the productivity of their Team. This is the essence of managerial leadership and accountability.

- ***Market accountability:*** The era of decentralization and privatization by the government has made way to the recognition of consumer rights and awareness. Service-providers are more "customer-driven" and aim to meet the conveniences and various choices of the citizens. With this perspective, there are comparisons and competition between public and private services which ideally would improve the quality of service. As stated by Bruce Stone (http://en.wikipedia.org/wiki/Accountability), the standard of assessment for accountability is therefore "responsiveness of service-providers to a body of 'sovereign' customers and produce quality service".

- ***Constituency relations:*** A particular agency or the government is accountable if voices from agencies, groups or institutions which are outside the public sector and representing the citizens' interests in a particular constituency or field are heard. Moreover, the government is obliged to empower members of agencies with political rights to run for elections and be elected; or appoint them into the public sector as a way to hold the government representative and ensure voices from all constituencies are included in the policy-making process.

- ***Professional accountability:*** Professionals in any field can be called upon to justify their professional actions. The criteria against which they can be held accountable are those embodied in the normative standards of their particular profession. These standards are expressed in ethics guidelines or codes of conduct for each specialty area. They also may be embodied in law. Likewise, other professionals engaged in other public works, including physicians, policy makers and corporations are accountable according to their own professions' codes of conduct.

  If any undesirable consequences result from a professional's work, every effort must be made to undo the damage, without dismissing or denying the problem. Consultation with other professionals or a professional organization

can be helpful. Furthermore, various assessment techniques are available to help ensure that one's work is serving its intended purpose. People can defend themselves against accusations of malpractice of any kind when they can show that they have behaved in an ethical fashion consistent with professional standards. Documentation helps in defending one's actions and makes a person's professional actions "transparent" or easily assessed. Transparency is necessary because accountability may involve defending one's actions or decisions to a professional or legal authority. Because professionals are ultimately responsible to the people they serve, transparency and accountability generally mean that the processes and criteria for decision-making are available for public inspection. Professionals have a duty to make their adapted practices transparent to the scientific community.

Some ***other types of accountability*** include *horizontal* and *vertical accountability, diagonal accountability, accountability in education,* and *social accountability.*

- *Horizontal and vertical accountability:* Horizontal accountability is the capacity of state institutions to check abuses by other public agencies and branches of government, or the requirement for agencies to report sideways such as parliament and the judiciary. Vertical accountability is the means through which citizens, mass media and civil society seek to enforce standards of good performance on officials. Citizens and civil society groups can seek the support of elected representatives to redress grievances and intervene in the case of inappropriate or inadequate action by government.

- *Diagonal accountability:* Diagonal accountability seeks to engage citizens directly in the working of horizontal accountability of institutions. This is an effort to augment the limited effectiveness of civil society's watch dog function by breaking the state's monopoly over responsibility for official executive oversight. The main principles of diagonal accountability are: i) participate in horizontal accountability mechanisms, ii) information flow, iii) compel officials to answer, and iv) capacity to sanction.

- *Accountability in education:* Students are personally responsible for their acts. Freedom of choice, freedom of action, freedom to bear the results of action — these are the three great freedoms that constitute personal responsibility. The contention is that personal responsibility is essential for acquiring values. The schools will be able to have full involvement in the teaching of morals only when the students become communities of people who fully respect each others' right to make choices and hence, are accountable as students in fulfilling the objective of completing their education.

- *Social accountability:* Social accountability is an approach towards building accountability that relies on civic engagement, namely a situation whereby ordinary citizens and/or civil society organizations participate directly or indirectly in exacting accountability. Such accountability is sometimes referred to as *society-driven horizontal accountability.* Mechanisms of social accountability can be initiated and supported by the state, the citizens or both, but very often they are *demand-driven* and operate from the bottom-up.

Issue of public/private accountability overlap: With the increase in public service provision by private entities, the application of political accountability mechanisms to otherwise non-political entities is being called for. Legal scholar Anne Davies (http://en.wikipedia.org/wiki/ Accountability) argues that the demarcating line between public institutions and private entities like corporations is becoming blurred in certain areas of public service provision and that some administrative law reforms are necessary to address this accountability gap or overlap.

Contemporary evolution: Accountability involves either the expectation or assumption of account-giving behavior. The study of account giving as a sociological act was articulated in an article on "Accounts" by Marvin Scot, Stanford Lyman and Stephen Soroka (1968), although it can be traced as well to J. L. Austin's (1956) essay "A Plea for Excuses," in which he used excuse-making as an example of speech acts (http://en.wikipedia.org/wiki/Accountability).

Communications scholars have extended this work (excuse-making) through the examination of strategic uses of excuses, justifications, rationalizations, apologies and other forms of account giving behavior by individuals and corporations. Philip Tetlock and his colleagues have applied experimental design techniques to explore how individuals behave under various scenarios and situations that demand accountability (Ibid).

The Charter 99 for Global Democracy, spearheaded by the One World Trust, first proposed that cross-sector principles of accountability be researched and observed by institutions that affect people, independent of their legal status. One World Trust Global Accountability Report, published in a first full cycle 2006 to 2008, is one attempt to measure the capability of global organizations to be accountable to their stakeholders (Ibid).

Accountability is becoming an increasingly important issue for the non-profit world. Several NGOs signed the "accountability charter" in 2005. In the Humanitarian field, initiatives such as the HAPI (Humanitarian Accountability Partnership International) appeared. Individual NGOs have set their own accountability systems; for example, the ALPS, Accountability, Learning and Planning System of Action Aid (Ibid).

12.3.6 Consensus-oriented Decision-making

Consensus-oriented decision-making becomes essential since there are several actors and as many view points in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development (en.wikipedia.org/wiki/Consensus_decision-making).

Consensus decision-making is a group decision-making process that seeks the consent, not necessarily the agreement, of participants and the resolution of objections. Consensus is defined by Merriam-Webster as, *first*, general agreement, and *second*, group solidarity of belief or sentiment. It has its origin in a Latin word meaning literally *feel together*. It is used to describe both the decision and the process of reaching a decision. Consensus decision-making is, thus, concerned

with the process of reaching a consensus decision, and the social and political effects of using this process.

Proponents claim that outcomes of the consensus decision-making process include the following advantages:

- *Better Decisions:* Through including the input of all stakeholders the resulting proposals may better address all potential concerns.
- *Better Implementation*: A process that includes and respects all parties, and generates as much agreement as possible sets the stage for greater cooperation in implementing the resulting decisions.
- *Better Group Relationships:* A cooperative, collaborative group atmosphere can foster greater group cohesion and interpersonal connection.

12.3.7 Equity and Inclusiveness

A society's well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society — *inclusiveness.* This requires that all groups, particularly the most vulnerable, have opportunities to improve or maintain their well-being — *equity.* By equity we also mean providing equitable opportunity for citizens to lead a life of self-respect and dignity. Inequity and exclusiveness are the characteristics of bad governance and thus they become issues of governance leading to serious problems in development and promotion of egalitarian society.

12.3.8 Rule of Law

Set of rules either written or based on precedence is applicable to all constituents of a society. Rules of game don't change, and nobody is above the law. A set of laws / procedures / rules that governs society are consistently enforced, equally to all citizens regardless of their status. Good governance requires fair legal frameworks that can enforce laws impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.

All people are treated equally under the country's legal procedures, principles of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated. These are also consistent with international human rights norms and standards. Rule of law also requires measures to ensure adherence by all to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency (http://www.un.org/en/ruleoflaw/).

There are *four principles of Rule of Law* (http://www.worldjusticeproject.org/rule-of-law-index/):

i) The government and its officials are accountable under law.

ii) The laws are clear, publicized, stable and fair, and protect fundamental rights, including the security of persons and property.

iii) The process by which the laws are enacted, administered and enforced is accessible, fair and efficient.

iv) Access to justice is provided by competent, independent, and ethical adjudicators, attorneys or representatives, and judicial officers who are of sufficient number, have adequate resources, and reflect the makeup of the communities they serve.

12.3.9 Predictability

Predictability refers to: i) the existence of laws, regulations and policies to regulate society; and ii) their fair and consistent application. A country's legal environment must be conducive to development. A government must be able to regulate itself via laws, regulations and policies, which encompass well-defined rights and duties, mechanisms for their enforcement and impartial settlement of disputes. Predictability is about the fair and consistent application of these laws and implementation of government policies.

The importance of predictability cannot be overstated since, without it, the orderly existence of citizens and institutions would be impossible. The rule of law encompasses both well-defined rights and duties, as well as mechanisms for enforcing them and settling disputes in an impartial manner. It requires the state and its subsidiary agencies to be as much bound by and answerable to the legal system as are private individuals and enterprises.

The rule-based systems for economic life is an essential component of the environment within which economic actors plan and take investment decisions. To that extent the legal frameworks help ensure that: i) business risks can be assessed rationally, ii) transaction costs are lowered, and iii) governmental arbitrariness is minimized to prove conducive to risk-taking, growth and development. In the opposite scenario, the capricious application of rules generates uncertainty and inhibits the growth of private sector initiatives.

Besides legal and regulatory frameworks, consistency of public policy is also important. Government policies affect the investment climate directly, and economic actors require reasonable assurance about the future behavior of key variables such as prices, the exchange rate and employment levels. However, consistency does not mean rigidity. Governments do need to respond flexibly to changing circumstances and to make midcourse corrections, as necessary. Also, when governments change, the successor administration will, understandably, want public policy to reflect its priorities, rather than those of its predecessor. Barring such situations, though, consistency in the broad directions of government policy is valuable (with modifications being limited, as far as possible, to fine-tuning). Predictability can be enhanced through appropriate institutional arrangements and adoption of sound fiscal and monetary policies. Insulating economic ministries from political pressures is also beneficial and helps increase predictability.

12.3.10 Centralization and Decentralization

Governance involves centralization and decentralization; both are not free from relevant issues and problems. Let us examine these below.

i) ***Centralisation:*** It is the process where the authority and power of an organization is in the hands of only a few. This power includes activities

such as planning, decision-making and delegating authority. The top management takes all the important decisions if an organization is centralized. These decisions are then enforced on the lower tiers of the organization.

Centralisation is usually found in small organizations. It is usually followed in a company or any other oganisation where the Head of the organization has a particular perspective or goals regarding the future for the organization, and wants to control it as much as possible to reach those goals. Now-a-days centralization of power is very rarely found, except in very small organizations.

ii) ***Decentralization:*** As the organizations grow bigger, the power is distributed at different levels to be able to run the organization more efficiently. This is called *decentralization.* Decentralization of authority is a concept related to centralization. Decentralization of authority means conscious or systematic effort to delegate decision-making power to the lower levels of organization. In decentralization, only broad powers like to plan, organize, direct and control will be reserved at the top level and maximum powers will be delegated to the authority at the lower level.

"Decentralization refers to the systematic efforts to delegate to the lowest levels all authority except that which can only be exercised at central point" (Louis Allen). But, according to Henry Fayol: "Everything that goes to increase the importance of the subordinate's role is decentralization, everything that goes to reduce it is centralization" (kalyan-city.blogspot. com /2010/.../decentralisation-advantages-and.ht...).

Decentralization is opposite of centralization where authority is mostly concentrated at the top level management. Centralization and decentralization are mutually dependent. In a large organization, the process of centralization and decentralization co-exist and reinforce each other. Centralization is a feature of traditional management in India while decentralization is a normal practice under professional management. Decentralization is a natural development when the organization grows large and complex. Here, centralization of management is neither possible nor desirable. The only practical solution is to group the organization into decision-making units with the powers to take routine decisions relating to its functioning. So, it is decentralization in practice.

In decentralization, systematic efforts are made to delegate to the lowest levels all authority except that which can only be exercised at the central level/points. Decentralization is delegation not from one individual to another but from top level body to different lower level units in an organization. An organization is said to be highly decentralized, when it delegates authorities and responsibilities to different units for effective discharge of their respective functions.

Advantages of decentralization: These include the following.

- *Decentralization helps to improve the quality of decision / decision-making at the top level management:* Decentralization of authority among executives at all levels in the organization relieves the top executive of the excessive work load saving valuable time, which can be devoted to more important

and long-term issues and policies. This is bound to improve the quality of decisions by the top-level manangement.

- *Decentralization facilitates diversification of activities:* An organization with departmentalisation done on the basis of products, facilitates diversification of products or market even when the authority is centralized. Decentralization takes this process a step further. Decentralization is beneficial when new product lines or new activities are introduced in an organization, as the managers of semi-autonomous product divisions are able to utilize their skills and experienced judgment. Such policy creates self-sufficient units under overall co-ordination of top level management and the enterprise also attains maximum possible growth.

- *Decentralization encourages development of managerial personnel:* Capable management can be developed only by giving managerial jobs to suitable persons and delegating them the authority to make important decisions. Wide exposure gives them opportunity to grow and to have self-development for higher positions. The more talented and capable persons will learn, improve and qualify themselves for higher managerial positions. Only a decentralized organization can offer such opportunities to future managers without involving additional expenditure. A decentralized organization also allows its managers adequate freedom to try new ideas, methods or techniques. In brief, decentralization creates a team of competent managers at the disposal of the organization.

- *Decentralization improves motivation:* An organization structure which facilitates delegation, communication and participation provides greater motivation to its managers for higher productivity. Decentralized organization structure is most favorable for raising the morale and motivation of subordinates which is visible through better work performance.

- *Decentralization makes decision-making quicker and better:* Since decisions do not have to be referred up through the hierarchy, quicker and better decisions at lower levels can be taken. Decentralization facilitates quick and result-oriented decisions by concerned persons.

- *Decentralization provides opportunity to learn by doing:* Decentralization provides a positive climate where there is freedom to make decisions, freedom to use judgment and freedom to act. It gives practical training to middle level managers and facilitates management development at the enterprise level.

Limitations of decentralization: These include the following.

- Decentralization may lead to the problem of co-ordination at the level of an enterprise as the decision-making authority is not concentrated.

- Decentralization may lead to inconsistencies at the organization level. Uniform policies or procedures may not be followed for the same type of work in different divisions.

- Decentralization is costly as it raises administrative expenses on account of requirement of trained personnel to accept authority at lower levels. Even the services of such highly paid manpower may not be utilized fully, particularly in small organizations.

- Introduction of decentralization may be difficult or may not be practicable in small organizations where product lines are not broad enough for the creation of autonomous units for administrative purposes.
- Decentralization creates special problems particularly when the enterprise is facing number of uncertainties or emergency situations. The decision-making process gets delayed and even correct decisions as per the changing situations may not be possible.

12.3.10.1 Significance of Decentralization in Good Governance

Tough to what extent the organization should be decentralized is a delicate issue, from the above discussion we can notice that the advantages of decentralization are more significant as compared to its limitations. However, certain factors such as the size of the organization and the abilities of lower level managers need careful consideration. Since, in a decentralized organization, a lot of decision-making is delegated to the lower levels of the organizational structure, due to the shared decision-making the chances of being able to make improvements increases. A decentralized structure follows a bottom-to-top approach. Thus, if the lowest tier faces an issue, they are in a better position to suggest improvements and, with a few approvals, can apply changes. As a result, it allows the application of changes and improvements with minimal delay. It is obvious that the top management will not have all the required information and first-hand experience to deal with the issues that crop up on the field. Such issues are better solved by those directly dealing with the issue rather than waiting for decisions or directions from top management.

Decentralization is an extension of the logic of democratization — the power of the people to determine their own form of government, representation, policies and services. Decentralization is the logical application of the core characteristics of good governance at the sub-national and local levels. In designing decentralization policies and programmes, the core characteristics of good governance provide a set of practical guidelines to follow in designing mechanisms which will "operationalize" these principles.

Decentralization involves *four dimensions* - the collective-exterior, the collective-interior, the individual-exterior and the individual-interior. The collective-exterior deals with the institutional, legal forms and procedures. The collective-interior deals with the societal culture — the set of values and assumptions which are unspoken / unacknowledged, but nevertheless play a powerful role in human relationships. The individual-exterior dimension deals with the observable behaviour of individuals within the various societal institutions, whether government, private sector or civil society. The dimension of the individual-interior deals with the mindset, world-view, mental models, emotions and intuitions of individuals within institutions. Effective decentralized governance planning must be based on an analysis of these four dimensions (UNDP, 1998).

Decentralization is a complex phenomenon involving many geographic entities, societal actors and social sectors. The geographic entities include the international, national, sub-national and local. The societal actors include the government, the private sector and the civil society. The social sectors include all development themes — political, social, cultural and environmental. In designing decentralization policies and programmes it is essential to use a systems-approach

encompassing these overlapping social sectors and its different requirements. In designing decentralization strategies it is important to ensure adequate processes of accountability, transparency and responsiveness by all societal actors.

Today, decentralization involves communication and information flows between each geographical area, societal actor and social sector. The district level is an essential platform for the coming together of national and local actors for dialogue, decision-making, budgeting and reporting. The complementary roles of national and sub-national actors should be determined by analyzing the most effective ways and means of achieving a desired objective. The roles and relationships of all of the societal actors — whether governmental, private sector or civil society — must be analyzed and involved. The design of decentralization programmes must take this analysis into account and must integrate it into the process itself.

Popular participation is crucial in each phase of decentralization — situational analysis, design, implementation, monitoring, evaluation and feedback. Partnership must be based on mutual trust and understanding of the various actors, acknowledging both strengths and weaknesses. It is important to select suitable entry points for partnerships which allow for collaborative efforts among the different actors. The design of decentralization efforts must promote both participation and partnership formation. Decentralization would be an effective way of ensuring participation of all the societal actors playing their optimal and legitimate roles in policy formulation, resource management and service provision.

12.3.11 Corruption

The word corruption means the destruction, ruining or spoiling of a society or a nation. A corrupt society stops valuing integrity, virtue or moral principles. It changes for the worse. Such a society begins to decay and sets itself on the road to self-destruction. Corruption is an age-old phenomenon. *Selfishness* and *greed* are the two main causes of corruption. Political corruption is the abuse of their powers by state officials for their unlawful private gain (http://www.thegeminigeek.com/what-is-corruption).

Corruption is the abuse of public power for private gain. Corruption comes under many different guises: bribery, misappropriations of public goods, nepotism (favoring family members for jobs and contracts), and influencing the formulation of laws or regulations for private gain are common examples of wrongdoing or misconduct (http://youthink.worldbank.org/issues/corruption).

So the corruption is possible in centralized and decentralized administration or governance at any level. Ignoring the principles of governance or downplaying with any of the characteristic feature of governance will lead to promotion of corrupted political and societal environment impinging upon the matters of governance. The judiciary, the law enforcement agencies and the education sector have an important role to play to fight corruption by changing the prevailing laws, punishments and the education system.

And extension of education to all the actors who have their role to play in the process of development assumes greater significance in the context of national development. It is, therefore, needless to emphasize that good governance is panacea for many evils presently faced by the country or the international communities.

12.4 MEASURES AND INDICATORS OF GOOD GOVERNANCE

In the preceding sections we have touched upon the concept, dimensions, characteristics, issues and problems of governance. In this section we will focus on the measures and indicators of good governance.

Landman, et al (2003) reported different measures of good governance. UNDP makes the distinction between *objective indicators*, such as economic performance, and *subjective indicators*, which are perceptual reflecting respondents' opinions. Good governance may be measured by adopting a *systems approach,* where indicators fall into one of the following categories: i) input, ii) process and iii) output. *Input indicators* measure "the performance of an obligation-bearer," *process indicators* measure the implementation process, and *outcome indicators* measure the level of progress achieved.

Landman, et al, (2003), in their report, identified the following *five types of measures* of good governance.

i) Civil and political liberties or political freedoms as proxy measures for the rule of law and governance.

ii) Frequency of political violence as an inverse measure of good governance.

iii) Expert assessments and opinion of good governance (generally to assess investment and business climates).

iv) Objective measures of good governance like the "contract-intensive money" indicator. In highly uncertain environments (i.e. where the rule of law does not prevail), individuals will choose to hold a larger proportion of their assets in the form of cash.

v) Mixed measures that combine aggregate data, scales, and expert opinion – to generate six indices: voice and accountability; political instability and violence; government effectiveness; regulatory burden; the rule of law; and graft.

We need to keep in mind that the concept of governance and the indicators and measures of governance can be applied in several contexts – International Governance, National Governance, Sub-national Governance and Local Governance. So, the goal of governance at all levels should be to uphold and promote the principles and characteristics of good governance.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

4) Write in brief about the characteristics of good governance.

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5) How are the issues and problems of good governance related to the characteristics of good governance?

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6) Explain the significance of interrelationship between decentralization and good governance. How can extension education help in promotion of good governance?

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12.5 LET US SUM UP

Governance of a country is determined by its institutions, processes and people. Its institutions refer to such bodies as parliament, various ministries, many other public and private bodies. Its processes include such key activities as elections and legal procedures, which must be seen to be transparent, free of corruption and accountable to the people. A country's success in achieving particular standard has become a key measure of its credibility and respect in the world.

Good governance promotes equity, participation, pluralism, transparency, accountability and the rule of law in a manner that is effective, efficient and enduring. However, the greatest threat to good governance comes from corruption, violence and poverty, all of which undermine transparency, security, participation and fundamental freedoms. In other words, well-governed countries are less likely to be violent and less likely to be poor.

In view of the above, in this Unit we have discussed all the above aspects spread across the concept, principles and dimensions of governance, the concept of

good governance, its characteristic features, problems, issues and the indicators/ measures. We believe that the understanding of these aspects of (good) governance would help you in effectively governing the extension and developmental policies and programmes at different levels.

12.6 ANSWERS TO 'CHECK YOUR PROGRESS' QUESTIONS

1) *Governance* has been variously defined by different people. According to Schneider (1999) governance is "the exercise of authority or control to manage a country's affairs and resources". Albrow (2001) defines it as "the management of society by the people". UNDP defines it in more comprehensive manner as: "Governance is the exercise of political, economic and administrative authority to manage a nation's affairs. It is the complex of mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences."

   Good governance can be defined in terms of its key features or properties which may be identified as follows: a) Good governance is defined as possession of all, or some combination of, the following elements: participation, transparency in decision-making, accountability, the rule of law, and predictability. Democratic practices, civil liberties and access to information are sometimes added to the list. Donor assistance to strengthen governance in developing countries has focused on empowerment and capacity-building with the objective of enhancing the preceding elements; b) Good governance is predicated upon mutually supportive and cooperative relationships between government, civil society and the private sector. The nature of relationships among these three groups of actors, and the need to strengthen viable mechanisms to facilitate interactions, assume critical importance; and c) Good governance is normative in conception. The values that provide the underpinning for governance are the values postulated by international donor institutions. Good governance promotes equity, participation, pluralism, transparency, accountability and the rule of law, in a manner that is effective, efficient and enduring. Good governance ensures holding of free, fair and periodic elections to representative legislatures that make laws, and provides oversight and an independent judiciary to interpret those laws.

2) According to Lindsay Driscoll (2010), six high level principles have been designed to be universal and equally applicable to all organisations. These include the following.

   a) An effective board of management will provide good governance and leadership *by understanding their role.*

   b) An effective board of management will provide good governance and leadership *by ensuring delivery of organisational purpose.*

   c) An effective board of management will provide good governance and leadership *by working effectively both as individuals and as a team.*

d) An effective board of management will provide good governance and leadership *by exercising effective control.*

e) An effective board of management will provide good governance and leadership *by behaving with integrity.*

f) An effective board of management will provide good governance and leadership *by being open and accountable.*

3) The United Nations Economic Commission for Africa (UNECA) has identified six components of good governance:

- A political system that encourages broad input from all elements of civil society.
- Impartial and credible electoral administration and an informed and active citizenry.
- Strengthened public sector, legislative and administrative institutions.
- Transparency, predictability and accountability in political, oversight and regulatory decisions by government and public bodies.
- Effective public sector management with stable macroeconomic policy, effective resource mobilization and efficient use of public resources.
- Adherence to the rule of law in a manner that protects and promotes personal and civil liberties and gender equity, and ensures public safety and security with equal access to justice for all.

Good governance consists of two major dimensions: political and economic. The *political dimension* has four key components: government legitimacy; government accountability; government competence; and rule of law (human rights). The *economic dimension* has four components: public sector management; organizational accountability; rule of law (contracts, property rights); and transparency (includes freedom of information). It thus provides a broad framework with scope for further discussion on good governance.

4) Following are the basic elements or characteristic features of good governance: i) Participation, ii) Transparency, iii) Effectiveness and efficiency, iv) Responsiveness, v) Accountability, vi) Consensus-oriented, vii) Equity and inclusiveness, viii) Rule of Law, and ix) Predictability (OECD, 2001; and United Nations, 2006).

- *Participation:* Participation by both men and women. It could be either direct or through legitimate intermediate institutions or representatives. Participation needs to be informed and organized.
- *Transparency:* It means that: a) decisions taken and their enforcement are done in a manner that follows rules and regulations, b) information is freely available and directly accessible to all those who will be affected by such decisions and their enforcement, and c) enough information is provided in easily understandable forms and media.
- *Effectiveness and efficiency:* Effectiveness and efficiency of processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal, particularly the sustainable use of natural resources and the protection of the environment.

- *Responsiveness:* Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.

- *Accountability:* The Governmental institutions, the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. In general an organization or an institution is accountable to those who will be affected by its decisions or actions. And, accountability cannot be enforced without transparency and the rule of law.

- *Consensus-orientated:* There are several actors and as many view points in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in their best interest and for sustainable human development.

- *Equity and inclusiveness:* A society's well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires that all groups, particularly the most vulnerable, have opportunities to improve or maintain their well-being.

- *Rule of Law:* Good governance requires fair legal frameworks that are enforced impartially. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force. It also requires full protection of human rights, particularly those of minorities.

- *Predictability:* It refers to: i) the existence of laws, regulations and policies to regulate society; and ii) their fair and consistent application.

5) The issues and problems of good governance are all related to the characteristics good governance. For example, think of a situation where the principles of governance are ignored completely or the characteristic features of governance are downplayed. Then inevitable consequence is every principle or characteristic of governance that is missing by itself becomes an issue of governance with potential problems associated with each issue. Such a situation leads to promotion of corrupted political and societal environment impinging upon all other principles or characteristics of governance as well. So, one issue gets inter-liked with all the others; i.e. even one characteristic of good governance missing to a large extent in practical sense of governance, will affect the remaining, setting the trend for increased corruption. The corruption will gradually destroy, ruin or spoil a society or a nation. A corrupt society stops valuing integrity, virtues or moral principles and it changes for the worse. Such a society begins to decay and sets itself on the road to self-destruction — governance becomes a missing phenomenon, let alone good governance, because all systems fail individually and collectively.

6) Today, decentralization involves communication and information flows between each geographical area, societal actors and social sectors. The district level is an essential platform for the coming together of national and local actors for dialogue, decision-making, budgeting and reporting. The complementary roles of national and sub-national actors should be determined by analyzing the most effective ways and means of achieving a desired

objective. The roles and relationships of all the societal actors — whether governmental, private sector or civil society — must be analyzed and involved. The design of decentralization programmes must take this analysis into account and must integrate it into the process itself.

Popular participation is crucial in each phase of decentralization — situational analysis, design, implementation, monitoring, evaluation and feedback. Partnership must be based on mutual trust and understanding of the various actors, acknowledging both strengths and weaknesses. It is important to select suitable entry points for partnerships which allow for collaborative efforts among the different actors. The design of decentralization efforts must promote both participation and partnership formation. Decentralization would be an effective way of ensuring participation of all the societal actors playing their optimal and legitimate roles in policy formulation, resource management and service provision.

Education sector has an important role to play to fight corruption by suitably changing the prevailing laws, the punishments and the education system. And extension of education on matters of good governance to all the actors who have their role to play in the process of development assumes greater significance in the context of national development. It is, therefore, needless to emphasize that good governance is panacea for many evils presently faced by the country or the international communities and extension education thus has its share of contribution to make in this regard.

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